

2006 State of Texas Consolidated Plan Annual Performance Report Reporting on Program Year 2005



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Prepared by

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***2006 State of Texas Consolidated Plan
Annual Performance Report
Reporting on Program Year 2005***

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INTRODUCTION

The Texas Department of Housing and Community Affairs (TDHCA), which administers the HOME Investment Partnerships and Emergency Shelter Grants programs; the Office of Rural Community Affairs (ORCA), which administers the Community Development Block Grant Program; and the Department of State Health Services (DSHS), which administers the Housing Opportunities for Persons with AIDS Program, have completed the *2006 State of Texas Consolidated Plan Annual Performance Report: Reporting on Program Year 2005* (APR).

This report is required as part of the US Department of Housing and Urban Development's (HUD's) state Consolidated Planning process, and is outlined specifically in 24 CFR 91.520. The Consolidated Planning process covers four HUD formula grant programs: the Community Development Block Grant (CDBG), Emergency Shelter Grants Program (ESGP), HOME Investment Partnerships (HOME) Program, and the Housing Opportunities for Persons with AIDS (HOPWA) Program.

The APR is an integral part of HUD's Consolidated Planning process, which requires TDHCA, ORCA, and DSHS (the Departments) to evaluate their accomplishments over the past program year. The information contained in the APR helps the Departments evaluate how well they met stated goals and objectives when developing future plans. In February 2005, the Departments completed the *2005-2009 State of Texas Consolidated Plan* (Consolidated Plan). This document includes the One-Year Action Plan (OYAP) for 2005, which specifically covered Program Year (PY) 2005 activities. PY 2005 ran from February 1, 2005, through January 21, 2006.

The APR is organized into four sections:

- Introduction. This section includes an overview of the document and the outlining federal legislation.
- Program Performance. This section includes PY 2005 performance data for the CDBG, ESGP, HOME, and HOPWA programs, as outlined in 24 CFR 91.520(a). Program-specific sections of legislation, including 24 CFR 91.520(c) for CDBG, 24 CFR 91.520(d) for HOME, and 24 CFR 91.520(e) for HOPWA, are included in this section.
- Other Actions. This section reports in the "other actions indicated in the strategic plan and the action plan," as directed by 24 CFR 91.520(a). These actions include Meeting Underserved Needs and Developing Affordable Housing, Public Housing Resident Initiatives, Lead-Based Paint Hazards, Poverty-Level Households, Compliance, and Institutional Structure.
- Goals and Objectives. This section reports on the goals and objectives for each program area, as referenced in 24 CFR 91.520(b) and 24 CFR 91.520(g).

LEGISLATION

Sec. 91.520 Performance reports.

(a) *General.* Each jurisdiction that has an approved consolidated plan shall annually review and report, in a form prescribed by HUD, on the progress it has made in carrying out its strategic plan and its action plan. The performance report must include a description of the resources made available, the investment of available resources, the geographic distribution and location of investments, the families and persons assisted (including the racial and ethnic status of persons assisted), actions taken to affirmatively further fair housing, and other actions indicated in the strategic plan and the action plan. This performance report shall be submitted to HUD within 90 days after the close of the jurisdiction's program year.

(b) *Affordable housing.* The report shall include an evaluation of the jurisdiction's progress in meeting its specific objective of providing affordable housing, including the number and types of families served. This element of the report must include the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

(c) *CDBG.* For CDBG recipients, the report shall include a description of the use of CDBG funds during the program year and an assessment by the jurisdiction of the relationship of that use to the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities that were identified. This element of the report must specify the nature of and reasons for any changes in its program objectives and indications of how the jurisdiction would change its programs as a result of its experiences. This element of the report also must include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

(d) *HOME.* For HOME participating jurisdictions, the report shall include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations, an assessment of the jurisdiction's affirmative marketing actions and outreach to minority-owned and women-owned businesses, and data on the amount and use of program income for projects, including the number of projects and owner and tenant characteristics.

(e) *HOPWA.* For jurisdictions receiving funding under the Housing Opportunities for Persons With AIDS program, the report must include the number of individuals assisted and the types of assistance provided.

(f) *Evaluation by HUD.* HUD shall review the performance report and determine whether it is satisfactory. If a satisfactory report is not submitted in a timely manner, HUD may suspend funding until a satisfactory report is submitted, or may withdraw and reallocate funding if HUD determines, after notice and opportunity for a hearing, that the jurisdiction will not submit a satisfactory report.

(g) The report will include a comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives.

PROGRAM PERFORMANCE

This section reports on the PY 2005 performance for the CDBG, ESGP, HOME, and HOPWA programs. Each program section reports on the following subjects, as required by 24 CFR 91.520(a):

- Description of the resources made available
- Investment of the available resources
- Geographic distribution and location of investments
- Families and persons assisted
- Actions taken to affirmatively further fair housing

The CDBG section includes the additional provisions of 24 CFR 91.520(c), which requires that the report include (1) a description of the use of CDBG funds during the program year, (2) an assessment of the relationship of that use to the priorities and specific objectives identified in the plan, (3) the nature of and reasons for any changes in program objectives, and (4) indications of how ORCA would change the program as a result of its experiences. The description of the use of CDBG funds is included in the “Investment of Available Resources” part of the CDBG program section.

The HOME section includes the additional provisions of 24 CFR 91.520(d), which requires that the report include (1) the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations, (2) an assessment of the jurisdiction’s affirmative marketing actions and outreach to minority-owned and women-owned businesses, and (3) data on the amount and use of program income for projects, including the number of projects and owner and tenant characteristics. The data on the use of program funds and number of projects is included in the “Investment of Available Resources” part of the HOME program section, while owner and tenant characteristics is included in the “Families and Persons Assisted” part.

The HOPWA Section includes the additional provisions of 24 CFR 91.520(e), which requires that the report include the number of individuals assisted and the types of assistance provided. These requirements are included in the “Families and Persons Assisted” and “Investment of Available Resources” parts, respectively.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The objective of the Community Development Block Grant Program (CDBG) is “the development of viable communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for persons of low and moderate income (0-80 percent of Area Median Family Income (AMFI)).” ORCA administers the “non-entitlement” or “states and small cities program.” Under this program, HUD allocates CDBG funds directly to the State, which, in turn, allocates funds to small, non-metropolitan cities (populations of less than 50,000) and rural counties. Large metropolitan communities (populations of 50,000 or more), known as “entitlement areas,” receive their CDBG funding directly from HUD.

The demographics and rural character of Texas have shaped a state CDBG program that focuses on providing basic sanitary infrastructure to small rural communities in outlying areas. Eligible activities include sanitary sewer systems, water treatment improvements, disaster relief and urgent needs projects, housing, drainage and flood control, street improvements, and economic development.

DESCRIPTION OF RESOURCES

This section describes CDBG funding that was available for PY 2005.

PY 2005 Funding

The following table lists the amount of funds available for PY 2005 through the HUD allocation, distributed according to the CDBG 2005 Action Plan.

2005 Total State Allocation:	\$82,305,507
Total Amount Available:	\$82,305,507

PY 2005 CDBG State Allocation

Fund	2005 Percent	Amount Available
Community Development Fund	56.75	\$46,706,000
Community Development Supplemental Fund	4.13	3,400,000
Texas Capital Fund	14.73	12,123,734
Colonia Fund		
Colonia Construction Fund	7.11	5,855,550
Colonia EDAP Fund	2.43	2,000,000
Colonia Planning Fund	0.46	375,000
Colonia Self-Help Centers Fund	2.50	2,057,638
Non-Border Colonia Fund	0.61	500,000
Planning And Capacity Building Fund	0.90	759,295
Disaster Relief/Urgent Need Fund	4.10	3,375,500
STEP Fund	3.16	2,598,750
Administration	2.00	1,746,110
Additional Statutory Administration Funds		100,000
Technical Assistance	1.00	823,055
Total	*	\$82,305,507

* Total percentages may not sum to 100 due to rounding error and additional administrative funds.

PY 2005 Activities

Each activity proposed for funding under CDBG must address one or more of the following three national program objectives:

- Principally benefit low and moderate income persons. (At least 51 percent of the identified beneficiaries must have an income of less than 80 percent of the area median family income).
- Aid in the prevention or elimination of slum or blighted areas.
- Meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community.

Activities are funded under the following program categories:

Community Development Fund and Community Development Supplemental Fund

Grants are awarded on a competitive basis to address public facilities and housing needs such as sewer and water system improvements, street and drainage improvements, and housing rehabilitation activities.

Texas Capital Fund

Grants are awarded to eligible communities to address economic development needs by providing infrastructure and real estate improvements in support of businesses willing to create/retain jobs. The Texas Department of Agriculture (TDA) administers the program through an interagency agreement with ORCA.

Colonia Fund

Planning and construction grants are awarded on a competitive basis for community development projects such as sewer, water, and housing rehabilitation to county applicants for projects in unincorporated "eligible colonia" areas located within 150 miles of the Texas-Mexico border and outside metropolitan areas. Eligible colonias are identifiable, unincorporated communities lacking one or more basic services such as potable water supply, adequate sewage systems, and decent, safe and sanitary housing. This fund also provides grants for the operation of colonia self-help centers located in seven Texas-Mexico border counties and for Economically Distressed Areas Program (EDAP) grants on an "as-needed" basis to provide water and sewer connections on projects funded by the Texas Water Development Board.

Non-Border Colonia Fund

Grants are available for construction projects in severely distressed unincorporated areas that are not eligible for the Colonia Fund. Non-Border Colonia communities, located more than 150 miles from the Texas-Mexico border or within a metropolitan area in the border region, are determined to be colonia-like on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, lack of decent, safe, and sanitary housing, and existence as a colonia prior to November 28, 1990.

Planning/Capacity Building Fund

Grants are awarded on a statewide competitive basis to assist eligible cities and counties in planning activities that assess local needs, develop strategies to address local needs, build, or improve local

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capacity, or address other needed local planning elements. Emphasis is placed on housing analysis, mapping, and public infrastructure planning.

Disaster Relief/Urgent Need Fund

Assistance is available to localities impacted by a natural disaster or an urgent need situation. Disaster Relief Funds address damages caused by natural disasters such as floods or tornadoes following an emergency declaration by the President or Governor. Urgent need assistance is available for unanticipated and dangerous local situations, contingent upon the availability of funds.

Texas Small Towns Environment Program (STEP) Fund

Grants are awarded on a statewide competitive basis to cities and counties to assist communities willing to solve water and sewer problems by utilizing self-help techniques. This approach encourages local support such as volunteer labor and donated materials and/or equipment.

Small Business Enterprise Fund

Grants are awarded to communities to make loans to small businesses (enterprises with 100 or fewer employees) who commit to creating or retaining jobs in rural communities and to making 51 percent or more of those jobs available to low or moderate income persons.

Micro-Enterprise Loan Fund

Grants are awarded to communities to make loans to vary small businesses (enterprises with 5 or fewer employees) known as micro-enterprises who commit to creating or retaining jobs in rural communities and to making 51 percent or more of those jobs available to low or moderate income persons.

INVESTMENT OF RESOURCES

This section describes CDBG funding commitments that were made during the reporting period, using PY 2005 funds as well as program income and deobligated funds from prior program years.

PY 2005 Funding Commitments

For PY 2005, the CDBG program committed \$101,993,988 through 374 grants.

Total Amount of Funds Committed during PY 2005

Fund	No. of Contracts	2005 Allocation	Prior Year - Allocation	Prior Year – De-obligated	Program Income	2005 Total Obligation
Community Development	188	\$46,706,000	\$ 178,958	\$3,355,938		\$50,240,896
Community Development Supplemental Fund	40	3,400,000		7,118,792		10,518,792
Texas Capital Fund	26	8,372,013	5,360,273			13,732,286
Colonia EDAP Fund	5	500,000	2,000,000			2,500,000
Colonia Construction Fund	12	5,825,240				5,825,240
Colonia Planning Fund	10	375,000				375,000
Colonia Self-Help Centers	2	1,667,854				1,667,854
Non-Border Colonia Fund	10	500,000		53,600	1,864,648	2,418,248
Planning / Capacity Building	23	744,170	88,397	14,533		847,100
Disaster Relief/Urgent Need	36	3,375,500	328,301	2,457,665	2,219,163	8,380,629
STEP Fund	14	1,878,899	983,584			2,862,483
Housing Infrastructure Fund	7	0	2,525,460			2,525,460
Small Business Loan Fund	1	0			100,000	100,000
Total	374	\$73,344,676	\$11,464,973	\$13,000,529	\$4,183,810	\$101,993,988

Summary of CDBG Housing Assistance

During PY 2005, CDBG closed contracts that provided housing assistance to 14 communities through the Housing Rehabilitation Fund, Colonia Construction Fund, and Disaster Relief Fund. The specific activities described in the application narrative and accomplished by each contract included rehabilitation, acquisition, clearance, and provision of other facilities. Displacement for these contracts is limited to voluntary participants and displacement costs are not eligible for reimbursement or included in project narratives. All households, businesses, or other entities impacted by a CDBG-assisted housing project, along with their needs and preferences, were identified by the locality during the homeowner application process; and only those homeowners choosing to participate were displaced in any way.

For existing contracts closed during the reporting period, CDBG assistance was used by the 14 grantees to rehabilitate or reconstruct 108 housing units. The 14 grantees expended \$3,237,443 in CDBG funds, originally funded in program years 1998-2003, for housing rehabilitation and reconstruction assistance, and leveraged \$840,425 in other public and private funds. Some 326 persons, 93 percent of which were of low to moderate income, benefited from the housing rehabilitation assistance provided by these grantees through the Housing Rehabilitation Fund, Colonia Construction Fund, and Disaster Relief Fund. Through the Housing Infrastructure Fund, two communities completed projects expending \$900,000 in CDBG funds and \$8,238,455 in matching funds to construct infrastructure and homes for new subdivisions to benefit 371 persons including 266 persons of low to moderate income.

Summary of CDBG Economic Development Activity

For existing contracts that were closed during the reporting period, CDBG provided economic development assistance to 11 communities through the Texas Capital Fund using \$6,991,500 in CDBG funds and \$38,961,138 in matching funds. With these contracts, the communities created 527 new jobs and retained 431 existing jobs, with 416 of the new jobs and 361 of the retained jobs made available to

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low or moderate income workers. One additional closed contract expended \$108,100 in CDBG funds and \$23,644 in matching funds for the Main Street Program.

Matching Requirements

CDBG requires matching funds to be contributed by grant recipients toward certain CDBG-funded projects. Applicants' willingness to provide matching funds, in relation to the size of the community, is taken into account when scoring applications for funding. Match requirements vary by funding category and are not required for the STEP Fund, Colonia Planning Fund, or Colonia Self-Help Centers Fund. For PY 2005, the \$101,993,988 in CDBG funds was matched by 63 percent, or \$64,152,237 in local commitments.

Matching Funds Committed by Grantees Funded with PY 2005 Funds

Fund	No. of Contracts	2005 Total Obligation	Match
Community Development Fund	188	\$50,240,896	\$16,667,891
Community Development Supplemental Fund	40	\$10,518,792	\$1,762,043
Texas Capital Fund	26	\$13,732,286	\$26,361,300
Colonia Construction Fund	15	\$5,825,240	\$596,575
Colonia EDAP Fund	5	\$2,500,000	\$58,000
Colonia Planning Fund	8	\$375,000	\$1,250
Colonia Self-Help Centers	2	\$1,667,854	\$0
Non-Border Colonia	10	\$2,418,248	\$734,900
Planning Fund	21	\$847,100	\$113,880
Disaster Relief/Urgent Need Fund	35	\$8,380,629	\$2,657,454
STEP Fund	15	\$2,862,483	\$0
Housing Infrastructure Fund	7	\$2,525,460	\$14,848,944
Small Business Loan Fund	1	\$100,000	\$350,000
Total	374	\$101,993,988	\$64,152,237

The CDBG staff continues to work with the Texas Department of Agriculture and Texas Water Development Board on projects that leverage funds from multiple agencies to take full advantage of the available resources.

DISTRIBUTION OF INVESTMENTS

This section reports on how PY 2005 funds were distributed and the location of CDBG awards.

Allocation Formula

The CDBG program distributes funds using both statewide competitions and regional competitions. The Community Development and Community Development Supplemental Funds each use a specific formula to distribute funds on a biennial basis to each of the 24 Council of Governments regions across the state; the CD funds are allocated according to a formula based on population, poverty, and unemployment, while the CDS distributes funds using same formula used by HUD to allocate funds to the state CDBG programs. Applicants compete within each region for the funds allocated to that area. Regional competitions ensure that funds are distributed across the state and allow each region to establish its own priorities for selecting applications for funding within the scope of the program.

All other CDBG funds are available to eligible cities and counties through statewide competitive processes. A statewide competition in the smaller funding categories provides for standardized consideration and funding of the most competitive applications regardless of the project location.

Award Locations

PY 2005 CDBG awards were made in the following areas of the state.

PY 2005 CDBG Awards and Estimated Beneficiaries by Region and County

County	CDBG Assistance	Estimated Beneficiaries	Low/Mod Income Beneficiaries
Region 1 - Panhandle RPC			
BRISCOE	\$ 494,417.00	1,231	945
CARSON	\$ 139,481.00	523	427
DALLAM	\$ 250,000.00	456	358
HALL	\$ 420,000.00	635	375
HANSFORD	\$ 250,000.00	142	114
HUTCHINSON	\$ 184,115.00	2,360	1,372
SWISHER	\$ 428,958.00	1,302	870
Region 2 - South Plains AG			
COCHRAN	\$ 465,753.00	2,831	1,600
CROSBY	\$ 103,355.00	1,047	755
FLOYD	\$ 47,200.00	2,027	1,229
GARZA	\$ 295,000.00	6,887	4,103
HOCKLEY	\$ 750,000.00	31	16
LAMB	\$ 547,200.00	2,819	1,868
LYNN	\$ 347,350.00	571	362
YOAKUM	\$ 250,000.00	1,383	833
Region 3 - NorTex RPC			
ARCHER	\$ 271,735.00	2,089	1,285
BAYLOR	\$ 173,343.00	2,441	1,821
CLAY	\$ 359,023.00	3,011	1,967
COTTLE	\$ 129,761.00	1,127	690
HARDEMAN	\$ 175,000.00	2,744	1,677
JACK	\$ 230,000.00	518	383
MONTAGUE	\$ 175,000.00	3,490	2,591
WICHITA	\$ 174,950.00	2,640	1,675

PY 2005 CDBG Awards and Estimated Beneficiaries by Region and County (cont.)

County	CDBG Assistance	Estimated Beneficiaries	Low/Mod Income Beneficiaries
Region 4 – North Central Texas COG			
COLLIN	\$ 250,000.00	1,875	1,238
DENTON	\$ 187,781.00	2,015	1,248
ELLIS	\$ 1,107,180.00	5,728	3,812
ERATH	\$ 250,000.00	3,754	2,337
HOOD	\$ 239,438.00	119	119
HUNT	\$ 1,250,000.00	6,017	4,376
JOHNSON	\$ 1,376,700.00	1,477	1,026
KAUFMAN	\$ 750,000.00	2,523	1,780
NAVARRO	\$ 1,129,510.00	3,695	2,319
PALO PINTO	\$ 540,000.00	29	17
PARKER	\$ 361,094.00	2,378	1,724
TARRANT	\$ 250,000.00	1,505	990
WISE	\$ 999,400.00	1,003	659
Region 5 – Ark-Tex COG			
BOWIE	\$ 500,000.00	261	178
CASS	\$ 490,000.00	364	306
DELTA	\$ 174,304.00	2,176	1,342
FRANKLIN	\$ 416,488.00	1,508	1,303
HOPKINS	\$ 406,053.00	1,112	845
LAMAR	\$ 583,474.00	917	615
MORRIS	\$ 250,000.00	132	114
RED RIVER	\$ 918,171.00	728	566
TITUS	\$ 1,000,000.00	100	51
Region 6 – East Texas COG			
ANDERSON	\$ 1,003,979.00	378	282
CHEROKEE	\$ 576,800.00	5,685	3,295
GREGG	\$ 600,000.00	1,055	694
HARRISON	\$ 139,524.00	73	47
HENDERSON	\$ 750,000.00	1,693	1,166
MARION	\$ 250,000.00	145	105
PANOLA	\$ 250,000.00	889	552
RUSK	\$ 500,000.00	3,071	2,083
SMITH	\$ 1,724,937.00	2,771	2,133
VAN ZANDT	\$ 632,403.00	5,201	3,247
WOOD	\$ 448,180.00	663	423

PY 2005 CDBG Awards and Estimated Beneficiaries by Region and County (cont.)

County	CDBG Assistance	Estimated Beneficiaries	Low/Mod Income Beneficiaries
Region 7 - West Central Texas COG			
CALLAHAN	\$ 76,025.00	1,346	827
COMANCHE	\$ 250,000.00	383	289
EASTLAND	\$ 750,000.00	30	16
FISHER	\$ 441,905.44	4,629	2,433
HARTLEY	\$ 225,000.00	9	5
HASKELL	\$ 350,000.00	1,559	595
JONES	\$ 879,858.73	11,393	5,121
KNOX	\$ 618,400.00	3,070	1,832
MITCHELL	\$ 250,000.00	706	431
NOLAN	\$ 332,320.00	4,684	3,421
THROCKMORTON	\$ 187,210.00	1,005	617
Region 8 - Rio Grande COG			
BREWSTER	\$ 935,192.00	762	469
EL PASO	\$ 2,813,030.00	3,835	3,475
HUDSPETH	\$ 500,000.00	83	83
JEFF DAVIS	\$ 122,025.00	62	62
PRESIDIO	\$ 1,504,912.00	5,363	3,542
Region 9 - Permian Basin RPC			
CRANE	\$ 524,000.00	879	479
DEAF SMITH	\$ 696,100.00	41	21
ECTOR	\$ 350,000.00	147	115
HOWARD	\$ 106,357.00	778	485
PECOS	\$ 750,000.00	75	39
REEVES	\$ 1,201,832.00	5,754	3,718
TERRELL	\$ 32,000.00	1,081	561
UPTON	\$ 374,000.00	1,698	969
WARD	\$ 396,000.00	2,701	1,492
WINKLER	\$ 25,300.00	930	560
Region 10 - Concho Valley COG			
CONCHO	\$ 219,366.00	494	329
CROCKETT	\$ 132,280.00	1,283	806
KIMBLE	\$ 36,000.00	1,850	944
MASON	\$ 26,000.00	1,604	819
MENARD	\$ 174,999.00	1,626	1,109
SCHLEICHER	\$ 17,000.00	173	128
SUTTON	\$ 174,999.00	3,319	2,032
TOM GREEN	\$ 174,999.00	77	62

PY 2005 CDBG Awards and Estimated Beneficiaries by Region and County (cont.)

County	CDBG Assistance	Estimated Beneficiaries	Low/Mod Income Beneficiaries
Region 11 – Heart of Texas COG			
BOSQUE	\$ 226,985.00	156	117
FALLS	\$ 599,930.00	8,097	4,622
FREESTONE	\$ 209,490.00	973	696
HILL	\$ 650,000.00	307	182
LIMESTONE	\$ 500,000.00	3,856	2,572
MCLENNAN	\$ 250,000.00	118	85
Region 12 – Capital Area COG			
BASTROP	\$ 899,558.33	63,507	31,027
BLANCO	\$ 32,750.00	1,438	887
BURNET	\$ 802,967.00	313	277
CALDWELL	\$ 598,360.00	31,325	18,993
FAYETTE	\$ 500,000.00	1,425	877
HAYS	\$ 250,000.00	279	279
LEE	\$ 250,000.00	881	563
LLANO	\$ 400,000.00	186	154
TRAVIS	\$ 250,000.00	173	173
WILLIAMSON	\$ 413,049.00	855	726
Region 13 – Brazos Valley COG			
GRIMES	\$ 250,000.00	456	355
LEON	\$ 422,400.00	761	500
MADISON	\$ 226,500.00	33	17
ROBERTSON	\$ 500,000.00	1,817	1,438
WASHINGTON	\$ 222,163.00	139	106
Region 14 – Deep East Texas COG			
ANGELINA	\$ 250,000.00	2,188	1,372
HOUSTON	\$ 281,465.00	14,143	8,014
JASPER	\$ 384,636.01	10,364	5,302
NACOGDOCHES	\$ 280,000.00	26,762	13,815
NEWTON	\$ 349,695.00	166	162
POLK	\$ 524,541.00	2,057	1,303
SABINE	\$ 50,000.00	1,115	493
SAN AUGUSTINE	\$ 795,220.00	7,819	5,328
SAN JACINTO	\$ 250,000.00	94	73
SHELBY	\$ 900,000.00	1,443	1,014
TRINITY	\$ 297,200.00	3,336	1,947
Region 15 – South East Texas RPC			
HARDIN	\$ 589,164.00	4,413	2,715
JEFFERSON	\$ 69,262.49	69,433	20,314
ORANGE	\$ 800,000.00	6,434	3,246

PY 2005 CDBG Awards and Estimated Beneficiaries by Region and County (cont.)

County	CDBG Assistance	Estimated Beneficiaries	Low/Mod Income Beneficiaries
Region 16 - Houston Galveston AC			
AUSTIN	\$ 222,668.00	350	298
CHAMBERS	\$ 350,000.00	183	147
COLORADO	\$ 691,586.00	6,407	4,193
GALVESTON	\$ 350,000.00	873	524
LIBERTY	\$ 1,100,451.00	1,622	1,147
MATAGORDA	\$ 700,000.00	6,440	3,933
MONTGOMERY	\$ 350,000.00	4,028	2,893
WHARTON	\$ 411,035.00	21,010	7,989
Region 17 - Golden Crescent RPC			
CALHOUN	\$ 500,000.00	1,701	1,251
DEWITT	\$ 1,266,800.00	165	98
GOLIAD	\$ 600,000.00	3,806	1,127
GONZALES	\$ 1,325,000.00	9,790	4,376
JACKSON	\$ 83,654.00	412	366
VICTORIA	\$ 349,340.28	24,144	8,855
Region 18 - Alamo Area COG			
ATASCOSA	\$ 448,022.00	2,648	2,420
BANDERA	\$ 250,000.00	58	56
FRIO	\$ 500,000.00	10,056	6,337
GUADALUPE	\$ 301,474.00	22,848	11,972
KARNES	\$ 736,350.00	2,775	1,897
KENDALL	\$ 750,000.00	33	17
KERR	\$ 250,000.00	79	79
MEDINA	\$ 698,462.00	4,210	1,856
Region 19 - South Texas DC			
JIM HOGG	\$ 190,237.00	146	140
STARR	\$ 1,300,000.00	1,499	1,472
WEBB	\$ 1,412,987.00	5,405	4,947
ZAPATA	\$ 800,000.00	9,390	5,234
Region 20 - Coastal Bend COG			
ARANSAS	\$ 721,673.00	291	266
BROOKS	\$ 300,000.00	5,741	3,737
DUVAL	\$ 500,000.00	132	126
JIM WELLS	\$ 950,000.00	346	329
KLEBERG	\$ 400,000.00	16	9
LIVE OAK	\$ 300,000.00	280	140
NUECES	\$ 502,330.00	1,932	1,298
REFUGIO	\$ 207,595.00	3,145	1,684
SAN PATRICIO	\$ 1,751,743.00	16,054	10,158

PY 2005 CDBG Awards and Estimated Beneficiaries by Region and County (cont.)

County	CDBG Assistance	Estimated Beneficiaries	Low/Mod Income Beneficiaries
Region 21 - Lower Rio Grande Valley DC			
CAMERON	\$ 3,993,735.00	25,277	14,598
HIDALGO	\$ 1,440,017.00	3,278	3,278
WILLACY	\$ 441,808.00	11,706	7,438
Region 22 - Texoma COG			
COOKE	\$ 339,189.00	140	100
FANNIN	\$ 527,029.56	11,255	6,202
GRAYSON	\$ 480,271.00	1,977	1,236
Region 23 - Central Texas COG			
BELL	\$ 424,283.00	3,573	2,446
CORYELL	\$ 250,000.00	522	394
HAMILTON	\$ 353,317.00	3,355	2,015
MILAM	\$ 800,021.00	1,367	854
MILLS	\$ 350,000.00	1,522	516
SAN SABA	\$ 572,674.00	3,606	1,294
Region 24 - Middle Rio Grande Valley DC			
DIMITT	\$ 625,578.00	6,359	4,026
EDWARDS	\$ 222,295.00	1,285	810
KINNEY	\$ 245,847.00	1,876	1,202
LA SALLE	\$ 279,551.00	37	25
MAVERICK	\$ 800,000.00	1,866	
REAL	\$ 473,709.00	3,869	2,002
ZAVALA	\$ 287,712.00	22,940	19,358

FAMILIES AND PERSONS ASSISTED

This section describes the households assisted with CDBG funds.

Anticipated Persons Served with PY 2005 Funding

For contracts that were awarded with PY 2005 funds, there are 704,892 total anticipated beneficiaries.

PY 2005 Funds Awarded and Estimated Beneficiaries

Fund	Total Beneficiaries	Low- Mod Beneficiaries
Community Development Fund	241,905	162,616
Community Development Supplemental Fund	41,809	28371
Colonia Construction Fund	2,576	2,485
Colonia EDAP Fund	3,219	3,180
Colonia Planning Fund	18,384	9,913
Colonia Self-Help Centers	1,615	1,615
Non-Border Colonia	1,444	1,317
Texas Capital Fund	1,161	635
Planning Fund	50,909	29,003
Disaster Relief/Urgent Need Funds	336,584*	147,870
Housing Infrastructure Fund	543	281
STEP Fund	4,733	3,378
Small Business Loan Fund	10	6
Total	704,892	390,670

*Due to city- or county-wide disaster awards, seven contracts with 20,000 or more beneficiaries accounted for 74 percent of Disaster Relief/Urgent Need benefit.

Actual Households Served in PY 2005

For contracts closed during PY 2005, 539,251 persons actually received service through CDBG contracts.

PY 2005 Actual Beneficiaries

Fund	Total Beneficiaries	Low/Mod Beneficiaries
Community Development Fund	246,050	163,375
Colonia Construction Fund	2,656	2,535
Colonia EDAP Fund	889	889
Colonia Planning Fund	45,187	18,624
Colonia Self-Help Centers	854	854
Planning Fund	58,925	34,314
Texas Capital Fund	958	777
Disaster Relief/Urgent Need Funds	171,619	79,078
Housing Infrastructure Fund	371	264
Housing Rehabilitation Fund	36	36
STEP Fund	11,087	7,351
Young v Martinez Fund	619	580
Total	539,251	308,677

The racial and ethnic status of persons receiving assistance in PY 2005 is reported below.

Racial and Ethnic Status of Persons Assisted in PY 2005

Ethnicity	Persons Assisted	Percent*
White	266,231	49.4%
Black / African American	47,220	8.8%
Asian	1,973	0.4%
American Indian/Alaska Native	1,895	0.4%
Native Hawaiian/Other Pacific Islander	309	<0.1%
Black/African American and White	79	<0.1%
Asian and White	41	<0.1%
Asian and Native Hawaiian/Other Pacific Islander	648	0.1%
American Indian and White	202	<0.1%
American Indian/Alaska Native And Black/African American	20	<0.1%
Other Multi-Race	7,459	0.9%
Hispanic and White	211,201	39.2%
Hispanic and Black /African American	2	<0.1%
Hispanic and Asian	0	0%
Hispanic and American Indian/Alaska Native	1	<0.1%
Hispanic and Native Hawaiian/Other Pacific Islander	0	0%
Hispanic and Other Race or Multiracial	1,969	0.4%
Total	539,251	

* Total percentages may not sum to 100 due to rounding error.

Income Status of Persons Assisted

The CDBG program collects information on beneficiaries according to low/moderate income status. Most funding categories require applications to benefit a minimum of 51 percent low or moderate income persons. Colonia Planning Fund applicants can qualify for funding under the slum and blight national objective. While the Colonia Planning grant does not require a low/moderate income threshold, as the strategies that result from the grant, if implemented, will benefit primarily low to moderate income persons. Similarly, Disaster Relief/Urgent Need Fund applicants can qualify under the urgent need national objective without a low/moderate income benefit; however many of these projects do benefit primarily low to moderate income persons and only those contracts are included in the CDBG low/moderate income national objective reporting and are included below. The table below reflects contracts closed during PY 2005 that meet the low/moderate income national objective.

PY 2005 Income Status of Actual Beneficiaries

Fund	Total Beneficiaries	Low/Mod Beneficiaries	% Low/Mod
Community Development Fund	246,050	163,375	66.4%
Texas Capital Fund	958	777	81.1%
Disaster Relief/Urgent Need Funds*	65,109	36,233	55.6%
Colonia Construction Fund	2,656	2,535	95.4%
Colonia EDAP Fund	889	889	100.0%
Colonia Planning Fund*	1,192	815	68.4%
Colonia Self-Help Centers	854	854	100.0%
Planning Fund	58,925	34,314	58.2%
Housing Infrastructure Fund	371	264	71.2%
Housing Rehabilitation Fund	36	36	100.0%
STEP Fund	11,087	7,351	66.3%
Young v Martinez Fund	619	580	93.7%
Total	388,746	248,023	63.8%

* Reported beneficiaries include contracts meeting low/moderate income national objective.

FAIR HOUSING ACTIVITIES

In compliance with 24 CFR Part 570, §570.487, other applicable laws and related program requirements, the State has completed the required actions to affirmatively further fair housing. The State of Texas conducts training and provides educational material to the participating units of general local government on federal and state fair housing laws and procedures, including technical assistance. The following are examples of this performance:

Contractor Certifications

All applicants to the CDBG fund must certify that they will take action to affirmatively further fair housing. This certification must be signed and submitted with the initial application for funding and is also included in the contract, if funded. This certification is discussed at the application workshops and is clearly noted in the application guides.

Civil Rights and Fair Housing Technical Assistance

The Texas Community Development Program has assigned a staff member to be responsible for the fair housing and civil rights requirements of the program. Staff addresses questions from the grantees and general public regarding civil rights and makes any appropriate referrals on an on-going basis. ORCA implemented a fair housing training for all staff including an overview of all related civil rights and fair housing laws, regulations and executive orders; discussion of fair housing activities that can be accomplished to comply with fair housing requirements and certifications; record keeping requirements; and the procedures to use regarding fair housing complaints.

Project Implementation Manual

A copy of the Implementation Manual was distributed to all new grantees to assist them in the administration of project activities and to inform them of all the applicable laws and regulations. This manual includes a chapter regarding fair housing and a chapter on equal opportunity with detailed information, forms, and checklists to ensure compliance with all regulations. This manual includes clear

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instructions so that city and county employees are able to understand and complete the necessary forms and requirements.

Pre-Funding Site Visits

The Regional Coordinators conducted pre-funding site visits to all localities that were recommended for funding under the Community Development Fund. All CDBG grantees (contractor localities) are informed that they are required to conduct at least one fair housing activity during the contract period. During this personal visit, the localities are provided with a Project Implementation Manual. A list of acceptable fair housing activities, samples of Fair Housing Ordinances (also contained in the manual) and a checklist of reporting and record keeping requirements of the CDBG program was provided to the new grantees. They are encouraged to pass fair housing ordinances and to update existing fair housing ordinances to include all federally protected classes. The fair housing ordinance must include a penalty clause and the locality must have the staff and the capacity to enforce the ordinance.

Availability of Fair Housing Posters and Brochures

The Texas Community Development Program obtained fair housing posters and various brochures for distribution to participating cities, counties, regional planning councils, and the general public. In addition, copies of civil rights laws, various samples of public service announcements and fair housing ordinances, etc. are available and mailed upon request. Staff is encouraged to deliver posters to grantees to increase awareness of fair housing laws. The Texas Health and Human Rights Commission and ORCA also provide fair housing brochures and technical assistance upon request.

Fair Housing Expenses

The CDBG utilizes funds from the technical assistance funding for the cost of providing fair housing technical assistance. This includes the cost of reproducing/printing fair housing brochures and memorandums; related postage; and the purchase of office supplies and materials. Additional funds were utilized on travel expenses to conferences and workshops as well as staff time.

CDBG staff stamp all outgoing correspondence with the phrase "ORCA SUPPORTS FAIR HOUSING, IT'S RIGHT, IT'S FAIR, IT'S FOR EVERYONE!" to increase public awareness of the fair housing law. The Office of Rural Community Affairs' fax cover sheet was also revised to inform recipients of ORCA's fair housing support. These fair housing activities were performed throughout the year and continue this year.

Monitoring of Civil Rights Requirements

Texas CDBG administers on average between 800 to 1,000 open CDBG contracts throughout the year. Program Monitors review each contractor for civil rights requirements using a detailed checklist on civil rights and fair housing requirements. A review of the files includes, but is not limited to, the following:

- All bid documents and contracts must contain equal employment opportunity provisions including an equal opportunity plan.
- The Contractor locality must comply with Section 3 requirements and adopt an equal opportunity plan.
- All Contractor localities are required to publish a notice of non-discrimination in a general circulation newspaper in the affected community and complete a Section 504 self-evaluation review.

- Contractor localities with 15 or more employees must have appointed a Section 504 coordinator, adopted grievance procedures, and notified all CDBG project participants that they must not discriminate on the basis of an individual's disability.
- The Texas Community Development Program requires that each Contractor locality appoint a Fair Housing/Equal Opportunity Officer to be responsible for the fair housing and civil rights program requirements, and to take any possible complaints and make referrals, as necessary.
- Each Contractor locality is monitored closely to ensure that at least one fair housing activity was completed within the contract period.
- The project completion report must include a description of the fair housing activities conducted during the contract period.
- The project completion report also contains the breakout of beneficiaries by race, ethnicity, gender, and low/moderate income status.

Quarterly Report Requirements

Contractors must submit quarterly progress reports to inform CDBG of their progress. The grant recipients are instructed to report any activities conducted to comply with the civil rights and fair housing requirements. Evidence of the civil rights and fair housing activities performed must be well-documented and available for review at the locality files. This evidence is reviewed by Program Monitors when conducting on-site monitoring visits. If documentation of these activities is not available at the time of the monitoring visit, the locality is provided with a written request for these documents and instructed to provide the evidence within 30 days. Contracts are not administratively closed until the civil rights and fair housing requirements are met.

Staff Outreach, Training, Conferences, and Workshops

The Texas Health and Human Services Commission's Civil Rights Office has the responsibility to investigate claims of discrimination; to conduct new, periodic, and special compliance reviews of offices, programs and contractors; to provide training and guidance; and to take other appropriate steps to ensure that programs and services do not discriminate.

The staff members of the ORCA Field Offices attended various workshops to provide technical assistance regarding ORCA housing programs and fair housing issues. USDA, local community services, lenders and realtors participated in these workshops. These staff members provide technical assistance in housing, community and economic development, and capacity building, and provide health-care related information for the rural areas. The staff members also provide limited information on TDHCA's housing programs and refer communities to the appropriate office.

In addition to ORCA Field Offices, Border Field Offices, operated by TDHCA's Office of Colonia Initiatives (OCI) and supported in part by CDBG funds, promote fair housing in border counties. The OCI staff provides one-on-one training and technical assistance on their housing and community affairs programs and services including Contract for Deed Conversion, Texas Bootstrap Loan Program, First-Time Homebuyer, and Contract for Deed Consumer Education. Furthermore, CDBG provides grants for colonia self-help centers in seven border counties. The centers provide on-site technical assistance and conduct community development activities, infrastructure improvements, outreach and education.

ACCOMPLISHMENTS IN HIGH PRIORITY AREAS

This section demonstrates how activities undertaken during the program year address identified areas of high priority and objectives.

Non-Housing Community Development Priority Needs Summary Table

Priority Community Development Needs	Priority Need Level
PUBLIC FACILITY NEEDS	Medium
INFRASTRUCTURE IMPROVEMENT	High
Solid Waste Disposal Improvements	Medium
Drainage and Flood Control Improvements	High
Water System Improvements	High
Street and Bridge Improvements	High
Sewer System Improvements	High
PUBLIC SERVICE NEEDS	Medium
ECONOMIC DEVELOPMENT NEEDS	High
OTHER COMMUNITY DEVELOPMENT NEEDS	Medium
PLANNING	High

Specific Accomplishments

The following goals address the high priority needs identified above. Activities undertaken during the PY 2005 period that accomplish these goals are described.

INFRASTRUCTURE IMPROVEMENTS

Encourage projects that address basic human needs such as water, sewer and housing; projects that provide a first-time public facility or service; and projects designed to bring existing services up to at least state minimum standards as set by the applicable regulatory agency.

CDBG received nearly 700 applications for assistance under the 2005/2006 Community Development Fund and Community Development Supplemental Fund competition and funded 188 projects under the CD Fund and 40 projects under the CDS Fund. Together these two funds receive just over 60 percent of the total annual CDBG allocation.

- The vast majority of applications for 2005/2006 CD/CDS funds requested assistance with basic human needs (water, sewer, and housing).
- Over 70 percent of funds awarded by CDBG address basic human needs.
- Over 85 percent of awarded construction funds address basic needs.
- Some 34 contracts and \$9,908,160 fund first time public water or public sewer facilities.

The STEP Fund is designed to make a large impact by leveraging local resources and self-help volunteer labor to install needed water and sewer facilities at a cost that is affordable for the assisted communities. During this reporting period, 14 grants were awarded obligating \$2,862,483 for projects to benefit 4,733 persons of which 3,378 are low and moderate income persons.

- Nearly 73 percent of STEP funds awarded in 2005 address basic human needs, and 99 percent of construction funds address such needs.

- Eight of the 14 STEP projects using \$1,593,953 in CDBG funds provide first time public water or public sewer facilities.

2005 Awards by Activity – Selected Funds

Activity	CD Fund	CDS Fund	% of CD/CDS Total	STEP Fund	% of STEP total
Water Facilities*	\$16,034,256	\$3,662,175	32.4%	\$1,945,434	68.0%
Sewer Facilities*	18,557,467	3,074,576	35.6%	90,799	3.2%
Housing Rehab*	1,498,833	24,000	2.5%	44,229	1.5%
Drainage	1,589,483	492,410	3.4%	0	0%
Streets	3,201,114	377,280	5.9%	0	0%
Acquisition	73,500	32,500	0.2%	13,896	0.5%
Comm. Center	444,470	356,596	1.3%	0	0%
Other Facilities	307,000	552,500	1.4%	0	0%
Administration	3,327,288	715,397	6.7%	293,615	10.3%
Engineering	5,207,485	1,231,359	10.6%	474,510	16.6%
Total Funds	\$50,240,896	\$10,518,792		\$2,862,483	
*Basic Needs Funds	36,090,556	6,760,750	70.5%	2,080,462	72.7%

ECONOMIC DEVELOPMENT

Provide funds for economic development and business expansion in rural communities. Fund economic development projects that create or retain jobs.

Texas CDBG established two new programs during PY 2005 to promote economic development. Both programs provide grant funds to communities, which in turn make loans to small businesses: the Micro-enterprise Loan Fund is targeted toward businesses with five or fewer employees, while the Small Business Enterprise Fund benefits businesses with 100 or fewer employees. The loan recipients commit to creating or retaining jobs in rural communities and to making 51 percent or more of those jobs available to low or moderate income persons. The first contract for the Small Business Enterprise Fund was awarded during the reporting period.

In PY 2005, CDBG funded 26 grants under the Texas Capital Fund and one grant under the newly created Small Business Enterprise Fund. The \$13,832,286 in CDBG assistance is expected to create 888 new jobs and retain 283 jobs in rural communities, with at least 51 percent of those jobs available to low and moderate income workers.

PLANNING

Provide assistance to local governments in rural areas, emphasizing planning activities that primarily address problems in the areas of public works and housing assistance.

Texas CDBG awarded 23 grants totaling \$847,100 for planning and capacity building projects. These projects are expected to benefit 50,909 persons including 29,003 low and moderate income persons. The 2005 planning projects primarily address public works and housing planning elements and leverage an estimated \$113,380 in other funding.

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OTHER PRIORITY ACCOMPLISHMENTS

Provide support for colonia communities, including funding for public improvements through a Colonia Construction Fund, funding for planning through a Colonia Planning Fund, and Self-Help Centers established in border counties.

The Colonia Construction Fund is the second largest program administered by Texas CDBG and the largest targeting colonias. In 2005 CDBG received 36 applications for assistance and funded 12 projects. Nearly 85 percent of CFC funds awarded in PY 2005 address basic human needs, and 99 percent of construction funds address such needs. Eleven of the 12 CFC projects fund first time public water or public sewer facilities.

Ten Colonia Planning Fund grants were awarded that have the potential to benefit 18,384 persons of which an estimated 9,913 are low and moderate income persons. The \$375,000 obligated for the 10 contracts will be used to assess countywide comprehensive needs in colonia areas and for in-depth studies/plans covering individual colonia communities.

A rider to ORCA's state appropriation retains 2.5 percent of the total CDBG appropriation for the operation of colonia self-help centers in seven border counties, in addition to the 10 percent federally mandated colonia set-aside. The activities of the self-help centers are overseen by the TDHCA Office of Colonia Initiatives. Separately, three border field offices, operated by TDHCA-OCI staff and supported in part by CDBG funds, are located in El Paso, Edinburg, and Laredo to provide technical assistance to area residents and other interested parties. The TDHCA-OCI staff continues to provide technical assistance and disseminate information regarding available programs administered by TDHCA that could assist in addressing colonia issues and other local priority needs. During the reporting period, \$1,667,854 of CDBG 2005 program year funds were awarded to support colonia self-help centers located in Webb and El Paso Counties.

2005 Colonia Fund Activities

Activity	CEDAP	CFC	CFP	All Colonia Fund**	NBC
Water Facilities*	\$138,650	\$1,473,378		\$1,612,028	\$586,393
Sewer Facilities*	851,680	2,037,004		2,888,684	198,700
Housing Rehab*	1,157,220	1,379,202		2,536,422	1,226,702
Acquisition		24,500		24,500	2,000
Other		2,380		2,380	
Administration	177,036	349,436		526,472	207,033
Engineering	175,414	559,340		734,754	197,420
Planning			375,000	375,000	
Total Funds	\$2,500,000	\$5,825,240	\$375,000	\$8,700,240	\$2,418,248
*Basic Needs Funds	2,147,550	4,889,584		7,037,134	2,011,795

** Colonia Self Help Centers are not included in this table due to a lack of data.

Provide assistance for the recovery from natural disasters and fund projects that resolve threats to the public health and/or safety of local residents in rural areas.

During this reporting period, 21 grants were awarded for Disaster Relief projects. The \$5,567,589 obligated for the 21 contracts will provide assistance or alleviate the impacts of natural disasters for 425,136 Texans. An estimated 227,917 of the total beneficiaries for these projects are persons with low and moderate income. Approximately \$725,000 of the 2005 Disaster Relief funds were awarded for contracts related to Hurricanes Rita and Katrina, including \$430,000 for emergency shelters. Texas CDBG also awarded two grants to Urgent Need projects during this reporting period, obligating \$340,000 to benefit 2,491 persons including 1,543 persons of low to moderate income.

Persons with Disabilities

ORCA accomplished the following to address the needs of persons with disabilities during PY 2005:

Localities wishing to address the needs of persons with disabilities may include removal of architectural barriers as an eligible activity in an application for CDBG assistance. In PY 2005, two contracts were completed expending \$202,661 to remove barriers and benefiting 439 persons of which 225 were of low- to moderate-income.

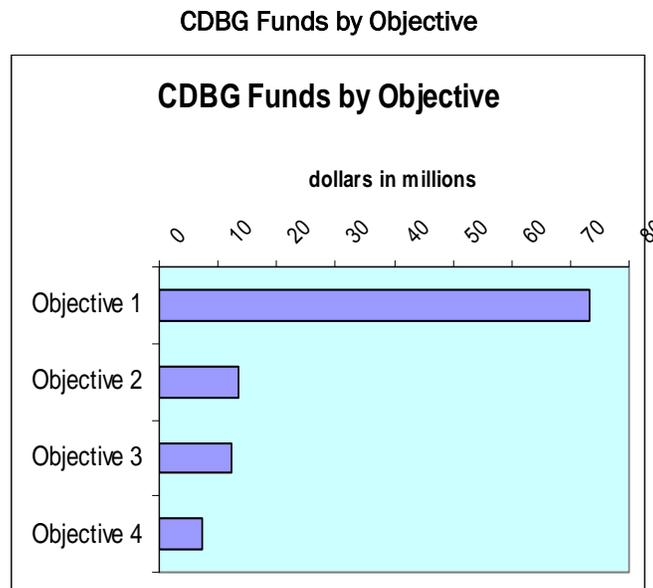
Texas CDBG and all grantee are required to comply with federal and state non-discrimination regulations and monitored for Section 504 compliance.

RELATIONSHIP BETWEEN USE OF FUNDS AND PROGRAM OBJECTIVES

The purpose of the Texas Community Development Block Grant Program (CDBG) continues to be the development of viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons of low and moderate income. The funding allocations among the CDBG programs and the activities funded within those programs reflect the following state development objectives and priorities.

The objectives of the Texas Community Development Program are as follows:

- Objective 1: To improve public facilities to meet basic human needs, principally for low and moderate income persons.
- Objective 2: To improve housing conditions, principally for persons of low and moderate income.
- Objective 3: To expand economic opportunities by creating or retaining jobs, principally for low and moderate income persons.
- Objective 4: To provide assistance and public facilities to eliminate conditions hazardous to the public health and of an emergency nature.



* Activities may meet more than one objective.

The largest percentage of the funds obligated during this period will be used to address Objective 1, the *basic human needs* of water, sewer, and housing. Objective 2 *housing conditions* are addressed through the Housing Infrastructure Fund, which provides infrastructure to support new housing, and other program funds that provide improvements in public services according to local priorities. Objective 3 *job creation and retention* are addressed under the Texas Capital Fund and the two new economic development funds. Through the Disaster Relief/Urgent Need Fund, the State continues to address Objective 4 *disaster relief* to provide assistance to meet the needs resulting from the disaster situations that impact Texas during each program year. The graph above charts CDBG funds according to the objective(s) met by funded activities.

CHANGES IN PROGRAM OBJECTIVES

The Office of Rural Community Affairs (ORCA) does not intend to make any changes to the program objectives described above. The changes in funding categories implemented in PY 2005 which relate to the program objectives are discussed in the next section.

Eight public hearings for the proposed 2006 CDBG Action Plan were held between July and November of 2005, and 13 public hearings for the 2006 Consolidated Plan (including the 2006 CDBG Action Plan) were held in September and October of 2005. ORCA received only one comment regarding the creation of two new economic development fund categories. All other comments were unrelated to any changes in program objectives or related funding.

PROGRAM CHANGES BASED ON EXPERIENCES

As a result of the experiences encountered in administering the Texas Community Development Program, the following changes were implemented to further improve the program:

- During the reporting period, Texas CDBG created a new fund in support of Objective 1: *meet basic human needs*. The Non-Border Colonia (NBC) Fund is a targeted program designed to address colonia-like conditions in non-border areas of the state, including the most basic human needs of

water, sewer, and housing facilities. This change was incorporated into the 2005 Action Plan in response to many comments from citizens and state legislators concerned about communities greater than 150 miles from the Texas-Mexico border. For PY 2005, the \$500,000 allocation for the NBC fund was supplemented with program income and deobligated funds from previous allocations to fund a total of \$2,418,248 through 10 contracts benefiting 2,071 persons, of which 1,944 are of low to moderate income.

- Texas CDBG also created two new funding programs in PY 2005 which support Objective 3: *expand economic opportunities*. The first contract for Small Business Enterprise Fund was awarded during the reporting period to help local communities create and retain jobs. The first Micro-Enterprise Fund contracts will be awarded during PY 2006.
- In PY 2005 Texas CDBG eliminated two programs which directly supported Objective 2: *improve housing conditions*. The funding previously allocated to two housing-specific programs, the Housing Infrastructure Fund and the Housing Rehabilitation Fund, were instead allocated to the newly created Community Development Supplemental (CDS) Fund. The CDS, which will be distributed to the 24 State Planning Regions using the formula that HUD uses to allocate CDBG funds to states, is intended to allow greater local input and flexibility in awarding limited resources. The regions are encouraged to set aside a percentage of the regional allocation for housing projects. Improvement of housing conditions remains a key objective for CDBG, though funding for such projects now varies according to regional priorities.
- Texas CDBG also supplemented the funding structure that supports Objective 4: *provide assistance of an emergency nature* in two distinct ways:
 - Texas has gone through a long period of frequent natural disasters that has limited the use of Disaster Relief/Urgent Need funds to only projects for disaster relief. During the reporting period, up to \$1,000,000 in recaptured CDBG funds from prior years were made available specifically to fund urgent need projects as authorized by the ORCA Executive Committee. Urgent Need assistance is contingent upon the availability of funds for activities that will restore water or sewer infrastructure whose sudden failure has resulted either in death, illness, injury, or poses an imminent threat to life or health within the affected applicant's jurisdiction.
 - In addition, the PY 2005 allocation to the Disaster Relief Fund was not adequate to meet the state's needs following Hurricanes Katrina and Rita in addition to previously declared disasters. The CDBG supplemented the allocation with approximately \$6.5 million in program income and deobligated funds from prior years, obligating roughly \$725,000 for hurricane-related applications. In PY 2006, Texas CDBG expects to work with several other agencies to administer the HUD supplemental funds targeted for hurricane relief.
- Beginning with PY 2005, the ORCA Executive Board meets outside the state office for one half of its regularly scheduled meetings. Rural communities throughout the state host the Executive Board's rural meetings, offering an opportunity for citizens to gain access to the board members and for the members to obtain greater local input.

The following changes were recommended for future implementation:

- The ORCA Executive Committee, through its standing committee the Regional Allocation Task Force Subcommittee, adopted a change in the distribution of the Community Development/Community Development Supplemental Fund allocation to the 24 State Planning Regions. This change will shift a larger proportion of funds from the CD Fund to the CDS Fund,

resulting in some changes in the overall allocation to certain regions. The Task Force, which includes representatives from the ORCA Executive Committee, State Planning Region Executive Directors, State Review Committee members, and Regional Review Committee members, meets at least once annually to consider any changes to the regional allocation formula and to discuss other issues that could result in recommendations to the ORCA Executive Committee.

- The ORCA Executive Committee has approved a Section 108 Loan Guarantee Pilot Program. The Pilot Program was originally scheduled for the 2004 program year. ORCA has hired staff with loan program experience and the goal is to make the program available during the 2006 program year. The CDBG will consider one application for loan guarantee assistance up to \$500,000. For this pilot program, the CDBG is restricting eligibility to economic development activities eligible under CDBG Program. A successful experience with this pilot program could encourage a future expansion of the use of Section 108 financing in the future.
- Texas CDBG will revise the application for the 2007/2008 Community Development/Community Development Supplemental Fund grant competition. The application will be restructured to eliminate unnecessary duplication of information, to streamline and shorten the application, and to incorporate the Performance Measures recently adopted by HUD. An online application processed is also planned. In addition, the revised application will be made available for public comment prior to its release for the 2007/2008 competition. The Regional Review Committees that score the applications will receive additional training prior to the scoring process.
- Texas CDBG staff continue to establish positive working relationships with program stakeholders:
 - CDBG staff is part of an interagency workgroup with a focus on infrastructure improvement grants across Texas. The group is working toward greater cooperation among the funding agencies on complex projects requiring funding or approval from two or more sources.
 - CDBG staff hosted a series of meetings during PY 2005 with administrative consultants and engineers. The meetings provided an opportunity for the professional services providers involved with CDBG contracts to offer feedback on the program. Staff is working to incorporate some of the suggestions regarding the application process and contract management into the program.
 - CDBG staff also provided training for administrative consultants and engineers as well as program staff in documenting National Objectives using beneficiaries and Census data.

MINORITY OUTREACH

All localities applying for funding under the Texas Community Development Program were required to submit a CDBG Minority Employment Form as part of their application for the purpose of determining the level of local effort in the employment of minorities. Program monitors review this information during on-site monitoring visits to compare the locality's area labor force to the locality's staff.

The Office of Rural Community Affairs and its individual units have been successful in hiring qualified minority staff.

- The percentage of minority employees for the Office of Rural Community Affairs is 44 percent.
- According to the City of Austin labor force data provided by the Texas Workforce Commission (as of December 2004), the minority labor force percentage is 42 percent.

- The female labor force percentage for the City of Austin is 45 percent and for the Office of Rural Community Affairs percentage of female employees is 60 percent.

Summary of Minority Business Enterprise Activities

The Texas Building and Procurement Commission (TBPC) provides business services including maintaining the Centralized Master Bidders List, which includes the Historically Underutilized Businesses (HUB) List, as well as a list dedicated only to HUB listings. All Contractor localities can obtain a copy of this list of minority-owned businesses through TBPC. These businesses have been certified through the State's TBPC program. All CDBG recipients are notified of this service in writing at the time of contract execution for funds and contact numbers and website addresses are included in the TCDP Implementation Manual.

The directory can assist CDBG contractors in identifying minority- and women-owned businesses that provide goods and services in their immediate area and in the state. The online directory also provides an opportunity for local minority- and women-owned businesses to sign-up for HUB certification through the Internet.

The Texas Community Development Program continues to require that all grantees submit Minority Business Enterprise reports on a quarterly basis. Instructions for reporting CDBG contractors are provided in the TCDP Project Implementation Manual. The information from these reports is compiled and reported annually to the HUD Regional Office in Fort Worth.

The state reviews the performance of all CDBG grantees and monitors the compliance with the required civil rights laws. All bid documents and contracts must contain equal opportunity provisions; compliance with Section 3 is reviewed for local contractor participation; and Section 504 requirements must be in place to avoid discrimination on the basis of handicap.

CDBG staff closely monitors the Contractor files for the following program requirements:

- Were equal opportunity guidelines followed in advertising vacancies, such as posting job vacancies and included equal opportunity language?
- Does the city/county have a written Section 3 Plan (or equivalent)?
- Did the city/county implement procedures that allow individuals with disabilities to obtain information concerning the existence and location of accessible services, activities and facilities?
- Did the city/county adopt 504 grievance procedures that incorporate due process standards and allow for prompt resolution of complaints?
- Has the city/county adopted and enforced a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individual engaged in nonviolent civil rights demonstrations, and a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstration within its jurisdiction?
- Has the city/county provided in the closeout reports the final beneficiaries for the project beneficiaries broken out, by race, ethnicity, gender, and low/moderate income status?
- Does the Final MBE reflect all contractors and subcontractors on the project?

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If evidence of the above program requirements was not found in the files, the locality is allowed 3) days to provide the information, or complete the activity and submit proof of compliance.

Minority Business Enterprise Participation February 1, 2005 to January 31, 2006

Total Amount of Funds Subcontracted by CDBG Contractors 2/1/05 - 1/31/06	Amount of Funds Subcontracted to MBE's by CDBG Contractors 2/1/05 - 1/31/06	Percent of Funds Subcontracted to MBE's by CDBG Contractors 2/1/05 - 1/31/06
\$ 97,870,935	\$ 8,740,722	8.93%

- Total Contracts: 1,266
- Total MBE Contracts: 157

EMERGENCY SHELTER GRANTS PROGRAM

TDHCA has administered the Emergency Shelter Grants Program (ESGP) since 1987. The state's strategy to help homeless persons includes:

- community outreach efforts to ensure that homeless persons are aware of available services;
- providing funding to support emergency shelter and transitional housing programs;
- helping homeless persons make the transition to permanent housing and independent living through comprehensive case management; and
- supporting statewide efforts to address homelessness.

Emergency shelter and transitional housing needs of homeless persons are addressed by utilizing ESG grant funds to provide support to organizations that provide emergency services, shelter, and transitional housing to homeless persons and families. ESG subrecipients assess the needs of homeless persons and those persons assisted to prevent homelessness through a case management system. To ensure that homelessness prevention funds are used appropriately and efficiently, ESG subrecipients are encouraged to maximize all community resources when providing homelessness prevention assistance.

The objectives of the ESG program are to:

- help improve the quality of emergency shelters for the homeless;
- make additional emergency shelters available;
- help meet the cost of operating and maintaining emergency shelters;
- provide essential services so that homeless individuals have access to the assistance they need to improve their situations; and
- provide emergency intervention assistance to prevent homelessness.

DESCRIPTION OF RESOURCES

This section describes ESGP funding that was available for PY 2005.

PY 2005 Funding

The following ESGP resources were made available in PY 2005.

PY 2005 State ESGP Allocation	
Total 2005 State ESGP Allocation	\$5,154,498
5% State Administration (\$)	\$13,737
Shared Administration	\$243,988
Reserved State Administration	\$60,000
Statewide Project	\$4,836,773
Regional Obligation	\$5,154,498
Total Funds Obligated	\$5,154,498

PY 2005 Activities

The following activities are performed with ESGP PY 2005 funding:

- Renovation, major rehabilitation, or conversion of buildings for use as emergency shelters for the homeless.
- Provision of essential services*, including (but not limited to):
 - a. assistance in obtaining permanent housing;
 - b. medical and psychological counseling and supervision;

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- c. employment counseling;
 - d. nutritional counseling;
 - e. substance abuse treatment and counseling;
 - f. assistance in obtaining other federal, state, and local assistance;
 - g. other services such as child care, transportation, job placement, and job training; and
 - h. staff salaries necessary to provide the above services.
- Payment of maintenance, operation, and furnishings costs, except that not more than 10 percent of the amount of any ESGP grant may be used to pay operation staff costs.
 - Developing and implementing homeless prevention activities as per Sec. 414 of the McKinney Act as amended by Sec. 832 of the Cranston-Gonzalez National Affordable Housing Act.

**Services must be provided pursuant to Sec. 414 of the McKinney Act as amended by Sec. 832 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Sec. 11374), which requires ESGP-funded services to be provided in a non-discriminatory manner.*

INVESTMENT OF RESOURCES

This section describes ESGP funding commitments that were made with PY 2005 funds.

PY 2005 Funding Commitments

ESGP funds received for PY 2005 were awarded in June 2005. The State ESGP contracts using PY 2005 funds began on September 1, 2005, and will end August 31, 2006, corresponding with the Texas State Fiscal Year (FY). For PY 2005, ESGP committed \$5,188,678 through 76 grants.

ESGP PY 2005 Funding Commitments

	State FY 2005
Contract Dates	9/1/05-8/31/06
Number of Grant Recipients, Statewide	76
State ESG Allocation	\$5,154,498
State Administration	\$257,725
Funds Committed	\$4,896,773
*Carry-In Funds Committed	\$34,180
Total Allocated	\$5,188,678

**Carry-In represents the unexpended fund balance from the prior year's allocation that occurs generally in March. The FY 2004 funds still need to be reallocated to FY 2005 subrecipients.*

PY 2005 ESGP Funding Commitments by Activity (FY'04 2/1/05-8/31/05 and FY'05 9/1/05-1/31/06)

	Funding Amount	Percentage
Rehabilitation	\$38,909	.82%
Maintenance, Operations	\$2,256,890	47.44%
Essential Services	\$1,225,108	25.75%
Prevention	\$887,817	18.67%
Operations Administration	\$325,858	.47%
Administration shared w/local govts	\$22,417	6.85%
Total Funds Committed	\$4,756,999	100%

Matching Requirements

Section 576.51 of the ESG regulations states that each grantee must match the funding provided by HUD. These matching funds must be provided after the date of the grant award to the grantee. TDHCA passes this match requirement along to each State recipient. Match must be provided in an amount equal to or greater than the grant award. ESG applicants identify the source and amount of match they intend to provide if they are chosen for funding. They report monthly on the amount of match provided. ESG monitors review the match documentation during each monitoring visit. TDHCA conducts a desk review at the closeout of each contract to ensure that each ESG recipient has provided an adequate amount of match during the contract period. The table below reflects match contributions for PY 2005 funds.

Match Contributions for PY 2005 funds
(SFY'04 2/1/05-8/31/05 and SFY'05 9/1/05-1/31/06)

Source	Dollar Value
Donations (cash)	\$2,864,090
Lease Or Rent	\$981,661
Salaries	\$994,641
Volunteers (@ \$5/Hour)	\$379,103
Other (Various Sources of Grant Funds, In-Kind Donations, etc.)	\$459,585
Total	\$5,679,080

Continuum of Care Activities

Historically, Texas has not received all of the Continuum of Care funds HUD reserved for the State due to a lack of viable applications. To address this, TDHCA reserved a portion of the State's 2005 ESG allocation to fund a project that impacts homelessness statewide and awarded \$60,000 to the Texas Homeless Network (THN) to provide statewide technical assistance, information, education, and training to homeless coalitions, agencies, and individuals that serve homeless persons. THN publishes a statewide by-monthly newsletter on homelessness, maintains an information resource center, and sponsors the only statewide conference on homeless issues in Texas. THN, with the support of ESG funding, has conducted technical assistance workshops, at no cost to local organizations that are considering applying for HUD Continuum of Care funds. THN also published a database of homeless providers statewide.

In FY 2005, the Texas Homeless Network (THN) conducted 68 regional workshops and provided individualized technical assistance training to 32 nonprofit agencies on various aspects of Continuum of Care planning and implementation. In total, THN provided training to 1,536 individuals representing 644 communities in Texas. Since July 2005, THN has hosted regional meetings for homeless services providers in areas of the state that are not currently covered by a HUD Continuum of Care. By January 2006, seven new local homeless coalitions were established with the commitment to year-round planning and the coordination of homeless services in their communities.

For ESGP applicants, the ESGP application requirements asked homeless service providers to describe their involvement in providing services to the homeless and at-risk populations. These applications again show that local care providers have made great strides in coordinating their efforts and adopting a more comprehensive "continuum of care" approach to service. A majority of ESG applicants include case management and information and referral in their range of services, while a significant number of

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communities have formed local homeless coalitions and social services coordinating councils as part of the Continuum of Care concept.

HMIS Requirements

In the FY 2005 TDHCA ESGP application, applicants were required to sign an applicant certification that included a provision that stated that the applicant organization will meet HUD's standards for participation in a local Homeless Management Information System (HMIS) and the collection and reporting of client-level information. On August 17, 2004, TDHCA issued ESG Policy Issuance #2004-11.2 notifying ESG subrecipients that all organizations receiving HUD McKinney-Vento Act program funds, which includes ESG funds, that are located in a Continuum of Care jurisdiction are expected to participate in an HMIS. The issuance stated that ESG subrecipients who are located in a Continuum of Care jurisdiction shall coordinate and report client-level data to the administrator for the Continuum of Care coalition in their area. Furthermore, TDHCA stated that failure to coordinate with appropriate contacts to facilitate the HMIS implementation may result in withholding of ESG contract funds.

DISTRIBUTION OF INVESTMENTS

This section reports on how PY 2005 funds were distributed and the location of ESGP awards.

TDHCA administers the S-04-DC-48-0001 ESG funds in a manner consistent with the McKinney-Vento Homeless Assistance Act, as amended (42 USC Sec 11371 et seq.). According to 24 CFR 576.35, states must commit their grant amount (i.e., make funds available through the offer of a contract) to units of general local government or nonprofit organizations within 65 days of the date of the grant award issued by HUD. This regulation also requires states to obligate (i.e. implement a contract) all ESG funds within 180 days of the date of the grant award. In order to comply with these deadlines, TDHCA begins the application and award process several months in advance of receiving the dated grant award from HUD. All contracts are issued for a 12 month period in order to ensure that the full allocation is spent within 24 months of the time the funds are awarded to grant recipients (required by 24 CFR 576.35). If any funds remain unexpended after the contract period, they are reobligated to current recipients after the first quarter of their contract period to ensure recipients of additional funds have demonstrated appropriate expenditure rates and are free from monitoring concerns.

Allocation Formula

TDHCA obligates ESG funds through a statewide competitive application process. TDHCA funded 76 projects with FY 2005 (9/1/05-8/31/06) ESG funds. TDHCA reserved ESG funds for each of the 13 TDHCA uniform state service regions using a formula based on the percentage of poverty population in each region (as reported in the most recent US Census). TDHCA awarded funds to units of general local government and to private nonprofit organizations that have local government approval to operate a project that assists homeless individuals. TDHCA established funding guidelines at a minimum of \$30,000 and a maximum of \$100,000, with collaborative projects awarded up to \$300,000. TDHCA reserved a portion of the State's ESG allocation to fund one project that addresses the statewide development of Continuum of Care applications. In awarding ESG funds, TDHCA makes available up to 30 percent of the total ESG allocation for homeless prevention activities, 30 percent for the provision of essential services, 10 percent for operations administration, and 5 percent for state administration which is shared with subrecipients that are cities or counties.

PY 2005 Regional Funding Distribution

TDHCA Service Region		Percent of Poverty Population*	Number of Counties	Fund Distribution per Region
1	High Plains	3.95%	41	\$284,898
2	Northwest Texas	2.49%	30	\$140,000
3	Metroplex	18.88%	19	\$913,183
4	Upper East Texas	4.88%	23	\$236,035
5	Southeast Texas	3.87%	15	\$187,183
6	Gulf Coast	21.04%	13	\$998,369
7	Capital	4.65%	10	\$343,629
8	Central Texas	4.79%	20	\$231,681
9	Alamo	8.57%	12	\$414,511
10	Coastal Bend	4.24%	19	\$205,079
11	South Texas Border	14.61%	16	\$462,245
12	West Texas	2.73%	30	\$163,612
13	Upper Rio Grande	5.30%	6	\$256,349
Total		100%	254	\$4,836,773

Source: 2000 US Census

Award Locations

PY 2005 ESGP awards were made in the following areas of the state. The amounts reported reflect actual allocation of FY 2005 ESGP funds, contract cycle 9/1/05-8/31/06.

PY 2005 ESGP Awards by Region

Region	Organization	County	Total Funds	Target Population
State	Texas Homeless Network	Travis	\$60,000.00	All Homeless
1	Amarillo, City of	Potter	\$140,873.00	Domestic Violence Victims
1	Caprock Community Action Association, Inc.	Crosby	\$42,770.00	Domestic Violence Victims
1	Hutchinson County Crisis Center, Inc.	Hutchinson	\$34,000.00	Domestic Violence Victims
1	Panhandle Crisis Center, Inc.	Ochiltree	\$72,673.00	Domestic Violence Victims
2	Abilene Hope Haven, Inc.	Taylor	\$80,000.00	All Homeless
2	First Step of Wichita Falls, Inc.	Wichita	\$30,000.00	Domestic Violence Victims
2	Salvation Army - Abilene	Taylor	\$30,000.00	Domestic Violence Victims
3	Arlington Life Shelter	Tarrant	\$77,903.00	Domestic Violence Victims
3	Collin Intervention To Youth, Inc.	Collin	\$65,000.00	Youth
3	Denton, City of	Denton	\$156,832.00	Domestic Violence Victims
3	Family Gateway, Inc.	Dallas	\$56,250.00	Homeless Families
3	Family Place, The	Dallas	\$53,250.00	Domestic Violence Victims
3	Grayson County Juvenile Alternatives, Inc.	Grayson	\$56,341.00	Youth
3	Grayson County Shelter, Inc.	Grayson	\$68,565.00	All Homeless
3	Legal Aid of Northwest Texas	Tarrant	\$62,687.00	Domestic Violence Victims
3	New Beginning Center, Inc.	Dallas	\$58,695.00	Domestic Violence Victims
3	Promise House, Inc.	Dallas	\$65,126.00	Youth
3	Salvation Army - Fort Worth	Tarrant	\$58,212.00	All Homeless
3	Women's Haven of Tarrant County, Inc.	Tarrant	\$62,452.00	Domestic Violence Victims
3	Women's Shelter, The	Tarrant	\$77,902.00	Domestic Violence Victims

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PY 2005 ESGP Awards by Region (cont.)

Region	Organization	County	Total Funds	Target Population
4	Kilgore Community Crisis Center, The	Gregg	\$63,795.00	Domestic Violence Victims
4	Randy Sams Outreach Shelter	Bowie	\$65,000.00	Domestic Violence Victims
4	Sabine Valley Center	Gregg	\$42,240.00	Mentally Ill
4	Salvation Army - Tyler	Smith	\$65,000.00	All Homeless
5	Family Services of Southeast Texas, Inc.	Jefferson	\$42,183.00	Domestic Violence Victims
5	Port Cities Rescue Mission Ministries	Jefferson	\$80,000.00	Domestic Violence Victims
5	Salvation Army - Beaumont	Jefferson	\$65,000.00	At-Risk Homeless
6	Bonita Street House of Hope	Harris	\$62,790.00	All Homeless
6	Bridge Over Troubled Waters, Inc., The	Harris	\$65,000.00	Domestic Violence Victims
6	Covenant House Texas	Harris	\$80,000.00	Youth
6	Focusing Families	Waller	\$65,000.00	Domestic Violence Victims
6	Fort Bend County Women's Center	Fort Bend	\$56,200.00	Domestic Violence Victims
6	Harmony House, Inc.	Harris	\$112,082.00	Tuberculosis Victims
6	Houston Area Women's Center	Harris	\$65,000.00	Domestic Violence Victims
6	Salvation Army - Galveston	Galveston	\$59,347.00	Domestic Violence Victims
6	SEARCH	Harris	\$130,000.00	All Homeless
6	Star of Hope Mission	Harris	\$65,000.00	All Homeless
6	Walker County Family Violence Council	Walker, Polk	\$43,223.00	Domestic Violence Victims
6	Wesley Community Center, Inc.	Harris	\$64,877.00	At-Risk Homeless
6	Westside Homeless Partnership	Harris	\$64,850.00	Homeless Families
6	Women's Home, The	Harris	\$65,000.00	Mentally Ill
7	Advocacy Outreach	Bastrop	\$96,177.00	Domestic Violence Victims
7	Hays County Women's Center, Inc.	Hays	\$69,095.00	Domestic Violence Victims
7	Highland Lakes Family Crisis Center	Burnet	\$37,500.00	Sexual Assault Victims
7	Travis County Domestic Violence & Sexual Assault Survival Center	Travis	\$46,233.00	Domestic Violence Victims
7	Williamson-Burnet County Opportunities, Inc.	Williamson	\$45,000.00	All Homeless
7	Youth and Family Alliance, dba LifeWorks	Travis	\$49,624.00	Youth
8	Bryan, City of	Brazos	\$59,478.00	Domestic Violence Victims
8	Compassion Ministries of Waco, Inc.	McLennan	\$40,000.00	At-Risk Homeless
8	Faith Mission and Help Center, Inc.	Washington	\$77,300.00	At-Risk Homeless
8	Salvation Army - Waco	McLennan	\$57,190.00	At-Risk Homeless
9	Boysville, Inc.	Bexar	\$60,418.00	Youth
9	Catholic Charities, Archdiocese of San Antonio, Inc.	Bexar	\$57,777.00	Domestic Violence Victims
9	Comal County Family Violence Shelter, Inc.	Comal	\$45,000.00	Domestic Violence Victims
9	Connection Individual and Family Services, Inc.	Comal	\$80,000.00	Domestic Violence Victims
9	Family Violence Prevention Services, Inc.	Bexar	\$46,386.00	Domestic Violence Victims
9	San Antonio Metropolitan Ministry, Inc.	Bexar	\$65,000.00	Domestic Violence Victims
9	Seton Home	Bexar	\$59,930.00	Youth
10	Corpus Christi Metro Ministries, Inc.	Nueces	\$65,000.00	Domestic Violence Victims
10	Mary McLeod Bethune Day Nursery, Inc	Nueces	\$35,152.00	Domestic Violence Victims
10	Salvation Army - Victoria	Victoria	\$40,000.00	Domestic Violence Victims
10	Women's Shelter of South Texas	Nueces	\$64,927.00	Domestic Violence Victims
11	Advocacy Resource Center for Housing	Hidalgo	\$34,000.00	At-Risk Homeless
11	Amistad Family Violence and Rape Crisis Center	Val Verde	\$49,416.00	Domestic Violence Victims
11	Family Crisis Center, Inc.	Cameron	\$197,226.00	Domestic Violence Victims
11	Providence Ministry Corporation dba La Posada Providencia	Cameron	\$36,450.00	Homeless Refugees
11	Salvation Army - McAllen	Hidalgo	\$98,000.00	All Homeless
11	Wintergarden Women's Shelter, Inc.	Dimmit	\$47,153.00	Domestic Violence Victims

PY 2005 ESGP Awards by Region (cont.)

Region	Organization	County	Total Funds	Target Population
12	Institute of Cognitive Development, Inc.	Tom Green	\$31,568.00	Domestic Violence Victims
12	Midland Fair Havens, Inc.	Midland	\$58,770.00	Domestic Violence Victims
12	Safe Place of the Permian Basin	Midland	\$73,274.00	Domestic Violence Victims
13	Child Crisis Center of El Paso	El Paso	\$48,000.00	Youth
13	La Posada Home, Inc.	El Paso	\$49,116.00	Domestic Violence Victims
13	Opportunity Center for the Homeless	El Paso	\$87,117.00	Mentally Ill
13	YWCA El Paso del Norte Region	El Paso	\$72,116.00	Domestic Violence Victims

FAMILIES AND PERSONS ASSISTED

This section describes the households assisted with ESGP funds.

Anticipated Households Served with PY 2005 Funding

The ESG Program does not project the number of households to be served. Please see the next section for information on the actual number of persons served in PY 2005.

Actual Households Served in PY 2005

This section reports on the actual households served in PY 2005 (February 1, 2005, through January 31, 2006) through current contracts. These contracts were originally awarded in 2004 and 2005, and assisted households during the PY 2005 reporting period. There were 88,893 total beneficiaries reported in PY 2005 through these contracts.

Persons Assisted in PY 2005

ESGP Activity	Total Estimated Beneficiaries	Total Funding
Homelessness Prevention	6,524	\$887,817
Essential Services	88,893*	\$1,225,108
Total	88,893	\$2,112,925

*The 88,893 persons assisted with essential services includes all persons assisted by ESGP subrecipients. The 6,524 persons assisted with homelessness prevention assistance are part of the 88,893 persons assisted with essential services.

The approximately 90,000 beneficiaries were assisted using \$2,112,925 in PY 2005 funding. The remainder of the funds, \$2,644,074, were expended on rehabilitation, maintenance and operation, and administration activities.

Racial and Ethnic Status of Persons Assisted

The racial and ethnic status of the 88,893 total individuals receiving assistance in PY 2005 is reported below.

Racial and Ethnic Status of Persons Assisted in PY 2005

Ethnicity	Persons Assisted	Percent
White	65,062	73.19
Black /African American	19,081	21.47
Asian	589	.66
American Indian/Alaska Native	368	.41
Native Hawaiian/Other Pacific Islander	46	.05
American Indian and White	87	.10
Asian and White	64	.07
Black/African American and White	503	.57
American Indian/Alaska Native And Black/African American	81	.09
Other Multi-Race	2,780	3.13
Native Hawaiian/Pacific Islander and Asian	0	0
Balance of Individuals	232	.26
Total	88,893	100.0%

Of 88,893 total persons, 40,373, or 45% percent, is of Hispanic or Latino origin. The breakdown of this population is below.

Hispanic Origin of Persons Assisted in PY 2005

Ethnicity	Persons Assisted	Percent
Hispanic and White	39,802	98.59
Hispanic and Black /African American	202	.50
Hispanic and Asian	5	.01
Hispanic and American Indian/Alaska Native	4	.01
Hispanic and Native Hawaiian/Other Pacific Islander	1	.002
Hispanic and Other Race or Multiracial	359	.89
Total	40,373	100%

Income Status of Persons Assisted

Of the 88,893 persons assisted, over 95 percent would be extremely low income and a small percent would be very low income. The persons with incomes in the very low income range would primarily be persons receiving assistance with rent or utilities to prevent homelessness, thus they would be part of the 6,524 persons receiving homelessness prevention assistance.

Income Status of Persons Assisted in PY 2005

Income Level	Persons Assisted	Percent
Extremely Low Income (0-30% AMFI)		
Very Low Income (31-50% AMFI)	88,893	100.00%
Low Income (51-80% AMFI)		
Moderate Income (81-95%)		
Higher than 95%		
Total		100.0%

FAIR HOUSING ACTIVITIES

The State of Texas last revised its *Analysis of Impediments to Fair Housing* in 2003, and is currently in the process of updating the document. In the 2003 Analysis, the following impediments were identified: lack of affordable housing, lack of available resources, lack or organizational capacity, public opposition to

affordable housing, and discrimination. This section describes TDHCA's efforts to affirmatively further fair housing through ESGP.

ESGP subrecipients, in providing rental assistance to homeless persons or persons who are at risk of homelessness due to a foreclosure or eviction or due to loss of utilities, ensure that owners or renters are not discriminated against. The Department's ESGP subrecipient contracts include a provision on compliance with the Fair Housing Act. Finally, the Department's monitoring of subrecipients includes a process where we review compliance with provisions of the McKinney-Vento Homeless Assistance Act, the ESGP contract, other federal or State regulations.

ACCOMPLISHMENTS IN HIGH PRIORITY AREAS

This section demonstrates how activities undertaken during the program year address identified areas of high priority and objectives.

Homeless Populations Needs Summary Table

Homeless Population	Priority Need Level
Families	H
Chronic Substance Abusers	H
Seriously Mentally Ill	H
Persons with HIV/AIDS	H
Victims of Domestic Violence	H
Youth	H
Rural	H
General Homeless	H

The following FY 2005 (9/1/2005-8/31/2005) award recipients are targeting many of the priority homeless populations identified above. The table reflects the primary target population; however, the majority of the subrecipients serve other populations. The exception would be subrecipients who serve domestic violence victims or youth.

Priority Homeless Populations Served by 2005 Award Recipients

Target Population	# Subrecipients	Percentage
All Homeless	10	13%
At-Risk Homeless	6	8%
Domestic Violence Victims	44	58%
Homeless Families	2	3%
Homeless Refugees	1	1%
Mentally Ill	3	4%
Sexual Assault Victims	1	1%
Tuberculosis Victims	1	1%
Youth	8	11%
Total Subrecipients	76	100%

Specific Accomplishments

While the Department considers all homeless populations to be priority, the awards process does not give preference to any particular priority population and ESGP funds are awarded on a competitive basis. The services provided by ESGP subrecipients during the FY 2005 period addressed the high priority needs

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identified above. The information in the table reflects the primary target population of FY 2005 ESGP subrecipients. Most ESGP subrecipients also serve other populations and most of the shelters serving all homeless populations would include persons who are mentally ill, persons who are chronic substance abusers, and persons with HIV/AIDS.

Persons With Disabilities

In order to meet the needs of persons with disabilities, the Department's ESGP subrecipients must make their facilities accessible to persons with disabilities.

ESGP subrecipients submit an annual Integrated Disbursement and Information System (IDIS) Report and in that report, agencies report the percentage of persons assisted on an average day who meet a variety of identified characteristics, including the percentage of persons who are physically disabled. However, since a percentage is reported, and the percentage may exceed 100 percent, TDHCA is unable to report a statewide number or percent of disabled persons assisted.

HOME INVESTMENT PARTNERSHIPS PROGRAM

The purpose of the HOME Program is to expand the supply of decent, safe, and affordable housing for extremely low, very low, and low income households and to alleviate the problems of excessive rent burdens, homelessness, and deteriorating housing stock. HOME strives to meet both the short-term goal of increasing the supply and the availability of affordable housing and the long-term goal of building partnerships between State and local governments and private and nonprofit organizations to strengthen their capacity to meet the housing needs of low, very low, and extremely low income Texans.

DESCRIPTION OF RESOURCES

This section describes HOME funding that was available for PY 2005.

PY 2005 Activities

For PY 2005, TDHCA was allocated \$43,343,307 by HUD.

PY 2005 HOME State Allocation

	Funding Amount	Percentage
Total HOME Allocation for PY 2005	\$43,343,307	100%
Less Administration Funds (10 percent of Allocation)	\$ 4,334,331	10%
Less CHDO Project Funds Set Aside (15 percent of Allocation)	\$ 6,501,496 ^{1,2,3}	15%
Less CHDO Operating Expenses Set Aside (5 percent of CHDO Set Aside)	\$ 325,075	
Less Direct Award for the Texas Home of Your Own Program (HOYO)	\$ 500,000	1.2%
Less Set Aside for Contract for Deed (CFD) Conversions	\$ 2,000,000	4.6%
Less Set Aside for Rental Housing Preservation Program	\$ 2,000,000	4.6%
Less Set Aside for Rental Housing Development Program	\$ 3,000,000	6.9%
Remaining Project Funds Subject to Regional Allocation Formula (RAF)	\$24,682,405	56.9%
Total ADDI Allocation for PY 2005	<u>\$ 1,344,356</u>	
Plus ADDI Allocation for PY 2004	<u>\$ 2,236,339</u>	
Plus ADDI Allocation for PY 2003	<u>\$ 2,015,759</u>	
Less 10% of PY 2003 ADDI allocation for Administrative Funds	<u>\$ 201,576</u>	
Total ADDI Funds NOT subject to the Regional Allocation Formula	\$ 5,596,454	

¹\$1,000,000 will be reserved from this set-aside for the Colonia Model Subdivision Program. If sufficient applications are not received for this activity, the remaining funds will be used for other CHDO-eligible activities.

²The Department may set aside 10 percent of the annual CHDO 15 percent Set-Aside for Predevelopment Loans.

³Part or all of the 2005 CHDO set-aside will be used for Hurricane Disaster assistance, as per HUD Waiver dated 10-4-05.

Total PY 2005 Funds by Activity

Activity	Funding Amount	Percentage
Homebuyer Assistance (CFD and HOYO)	\$2,500,000	6.7%
Homebuyer Assistance (ADDI)	\$5,394,878	14.4%
Owner-Occupied Housing Assistance (Subject to RAF)	\$19,745,924	52.5%
Tenant-Based Rental Assistance (Subject to RAF)	\$4,936,481	13.1%
Rental Housing Development and Preservation	\$5,000,000	13.3%
Total	\$35,577,283	100%

PY 2005 Activities

HUD regulations allow the HOME program to serve a variety of activities such as owner-occupied housing rehabilitation and reconstruction, homebuyer down payment and closing cost assistance, tenant-based

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rental assistance, and rental development assistance. The PY 2005 allocation funded the following activities.

Owner-Occupied Housing Assistance

Rehabilitation or reconstruction cost assistance, in the form of grants, is provided to homeowners for the repair or reconstruction of their existing homes. The homes must be the principal residence of the homeowner. At the completion of the assistance, all properties must meet the State of Texas Minimum Construction Standards and local building codes. If a home is reconstructed, the applicant must also ensure compliance with the universal design features in new construction, established by §2306.514, Texas Government Code. This requirement applies to any applicants utilizing federal or state money administered by TDHCA in the construction of single family homes. This activity comprised 80 percent of the HOME allocation that was made available through the RAF process – approximately \$19,745,924.

Homebuyer Assistance

Down payment and closing cost assistance is provided to homebuyers for the acquisition of affordable single-family housing. This activity may also be used for the following:

- Construction costs associated with architectural barrier removal in assisting homebuyers with disabilities by modifying a home purchased with HOME assistance to meet their accessibility needs.
- Acquisition and rehabilitation costs associated with contract for deed conversions to serve Colonia residents.
- Construction costs associated with the rehabilitation of a home purchased with HOME assistance.

Eligible homebuyers may receive loans up to \$10,000 per household for down payment and closing costs, in the form of a 2nd or 3rd lien, zero-interest, deferred-forgivable 10-year loan. Homebuyer assistance loans are to be repaid at the time of resale of the property, transfer of any interest in the property, lease of the property, default under the terms of the loan, refinance of the first lien, or repayment of the first lien, if any of these events occur before the end of the 10-year term. The amount of recapture will be based on the pro-rata share of the remaining term subject to available net proceeds from the sale, voluntary or involuntary, of the property. The Department has elected to utilize the recapture provision under 24 CFR 92.254(a)(5)(ii) as its method of recapturing HOME funds under any homebuyer program the State administers.

At the completion of the assistance, all properties must meet the State of Texas Minimum Construction Standards or the Colonia Housing Standards, if located in a colonia, and local building codes. Compliance with the basic access standards in new construction, established by §2306.514, Texas Government Code, is also required for any applicants utilizing federal or State money administered by TDHCA in the construction of single family homes. This activity comprised approximately \$2,500,000 of combined set-aside HOME funds, from the Contract for Deed Set-Aside and Home of Your Own Direct Award, and was not subject to the Regional Allocation Formula.

American Dream Downpayment Initiative Set-Aside

The American Dream Downpayment Initiative (ADDI) was signed into law on December 16, 2004, and was created to help homebuyers with down payment and closing cost assistance. ADDI aims to increase the

homeownership rate, especially among lower income and minority households and revitalize and stabilize communities.

Down payment and closing cost assistance is provided to first-time homebuyers for the acquisition of affordable single family housing. A first time homebuyer is defined as an individual and his or her spouse who have not owned a home during the three-year period prior to purchase. A first-time homebuyer includes an individual who is a “displaced homemaker” or “single parent” and who, even if while a homemaker or married, owned a home with his or her spouse or resided in a home owned by the spouse. A “displaced homemaker” means an individual who (1) is an adult; (2) has not worked full-time in the labor force for a number of years but has, during such years worked primarily without remuneration to care for the home and family; and (3) is unemployed or under-employed and is experiencing difficulty in obtaining or upgrading employment. A “single parent” is defined as an individual who (1) is unmarried; and (2) has one or more minor children for whom the individual has custody, or is pregnant.

Eligible first time homebuyers may receive a loan for up to \$10,000 for down payment and closing costs. ADDI assistance will be in the form of a 2nd or 3rd lien, 0 percent interest, 10-year deferred forgivable loan. The loans are to be repaid at the time of resale of the property, refinance of the first lien, repayment of the first lien, or if the unit ceases to be the assisted homebuyer’s principal residence. If any of these occur before the end of the 10-year term, the amount of recapture will be based on the pro-rata share of the remaining loan term. The Department has elected to utilize the recapture provision under 24 CFR 92.254(a)(5)(ii) as its method of recapturing HOME funds under any homebuyer program the State administers.

At the completion of the assistance, all properties must meet the State of Texas Minimum Construction Standards or the Colonia Housing Standards, if located in a colonia, and local building codes. Compliance with the basic access standards in new construction, established by §2306.514, Texas Government Code, is also required for any applicants utilizing federal or State money administered by TDHCA in the construction of single family homes. This activity is comprised of 100 percent ADDI funds, approximately \$5,394,878, and is not subject to the Regional Allocation Formula.

Tenant-Based Rental Assistance

Rental subsidy and security and utility deposit assistance is provided to tenants, in accordance with written tenant selection policies, for a period not to exceed two years. TBRA allows the assisted tenant to live in and move to any dwelling unit with a right to continued assistance with the condition that assisted families participate in a self-sufficiency program. This activity comprised 20 percent of the HOME allocation that was made available through the RAF process – approximately \$4,936,481.

Rental Housing Development

Awards for eligible applicants are to be used for the development of affordable multifamily rental housing. Owners are required to make the units available to extremely low, very low, and low income families, and must meet long-term rent restrictions. The Department awarded \$2,158,030 resulting in 250 new or rehabilitated rental units. These funds were not subject to the Regional Allocation Formula.

Rental Housing Preservation

Awards for eligible applicants are to be used for the acquisition and/or rehabilitation for the preservation of existing affordable or subsidized rental housing. Owners are required to make the units available to

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extremely low, very low, and low income families and must meet long-term rent restrictions. The Department awarded \$771,083, resulting in 58 preserved affordable housing units. These funds were not subject to the Regional Allocation Formula.

CHDO Set-Aside

A minimum of 15 percent of the annual HOME allocation, approximately \$6,789,158, plus \$414,458 in CHDO operating expenses, was reserved for CHDOs. CHDO set-aside projects are owned, developed, or sponsored by the CHDO, and result in the development of rental units or homeownership. Development includes projects that have a construction component, either in the form of new construction or the rehabilitation of existing units. TDHCA intends to use part of all of the 2005 CHDO Set-Aside allocation for Hurricane Disaster assistance, as per HUD Waiver dated October 4, 2005.

The total amount of awards for the program year was \$8,091,096, which included \$357,000 in CHDO Operating Grants, resulting in 398 units of housing. These awards were made from 2002, 2003, 2004, and 2005 CHDO Set-Aside allocations.

Contract for Deed Conversions Set-Aside

In 2005, the 79th Legislature passed Appropriations Rider 11 to TDHCA's appropriation, which requires TDHCA to spend no less than \$4 million for the biennium on contract for deed conversions for families that reside in a colonia and earn 60 percent or less of the Applicable area median family income (AMFI). Furthermore, TDHCA should convert no less than 400 contracts for deeds into traditional notes and deeds of trust by August 31, 2007. The intent of this program is to help colonia residents become property owners by converting their contracts for deeds into traditional mortgages. Households must not earn more than 60 percent of AMFI. Properties proposed for this initiative must be located in a colonia as identified by the Texas Water Development Board colonia list or meet TDHCA's definition of a Colonia, approximately \$2,000,000.

Colonia Model Subdivision Program Set-Aside

Subchapter GG of Chapter 2306, Texas Government Code, created this program to provide low interest rate or possibly interest-free loans to promote the development of new, high-quality, residential subdivisions, that provide alternatives to substandard colonias, and housing options affordable to individuals and families of extremely low and very low income who would otherwise move into substandard colonias. TDHCA will make loans to CHDOs certified by TDHCA, and for the types of activities and costs described under the previous section regarding CHDO Predevelopment Loans.

Persons with Disabilities Set-Aside

Subject to the availability of qualified applications, 5 percent or approximately \$2,234,383 of the annual HOME allocation was available to applicants serving persons with disabilities. For multifamily activities, the Department awarded approximately \$789,446 to rental development. For single family activities, the Department awarded \$500,000 through this set-aside for the Home of Your Own Program, and all remaining funds were made available through all programs and set-asides.

INVESTMENT OF RESOURCES

This section describes HOME funding commitments that were made with PY 2005 funds.

TDHCA receives an annual HOME allocation from HUD, which is then awarded to units of local government, public housing authorities (PHAs), community housing development organizations (CHDOs), and other nonprofits and for-profits eligible to receive HOME funds from the State. TDHCA provides technical assistance through application and implementation workshops to all recipients of HOME funds to ensure that all participants meet and follow the State implementation guidelines and federal regulations, and continues to provide technical assistance during the implementation of HOME awards.

HOME funds are reserved for persons at or below 80 percent of the area median family income as defined by HUD. By HUD regulations, 15 percent of TDHCA's total HOME allocation must be set aside for CHDOs.

PY 2005 Funding Commitments

During 2005, TDHCA utilized a total of \$54,892,398 in HOME funds in the following manner.

Total Amount of Funding Committed for PY 2005

	Allocation	Awarded
2005 HUD HOME Funding	\$48,939,761	\$54,892,398
Less Administration Funds ¹	\$4,334,331	\$2,600,599
Less CHDO Funds (15% of Allocation)	\$6,501,496	\$8,091,096 ²
Less CHDO Operating Expenses (5% of CHDO funds)	\$325,075	\$375,000
<i>Total HUD Mandated Deductions</i>	<i>\$11,160,902</i>	<i>\$10,691,695</i>
<i>Available SF & MF Non-CHDO</i>	<i>\$37,778,859</i>	<i>\$44,200,703</i>
Less Rental Housing Preservation Program	\$2,000,000	\$771,083
Less Rental Housing Development Program	\$3,000,000	\$2,158,030
Less Contract for Deed	\$2,000,000	\$6,240,000 ³
Less Direct Award to Texas Home of Your Own Program	\$500,000	\$530,000
2005 HOME ADDI	\$5,596,454	\$5,870,673
<i>Total Set Asides</i>	<i>\$13,096,454</i>	<i>\$15,569,786</i>
Total General Funds	\$24,682,405	\$28,630,917 ⁴
		Disaster Relief Program
		\$2,368,600
		Persons with Disabilities Set-Aside ⁵
		\$4,845,171

¹ For Allocation Funds, this figure includes both TDHCA (6%) and Contractor (4%) Admin Funds. For Awarded Funds, this figure includes only TDHCA admin funds and contractor admin funds are included in funding categories below.

² Includes 2002, 2003, 2004, and 2005 CHDO Set-Aside funds.

³ Includes 2003 and 2004 Contract for Deed Set-Aside funds.

⁴ Includes deobligated funds.

⁵ 5 percent of the allocation is made available to persons with disabilities.

Award of HOME Funds by Activity PY 2005 (Includes Administrator Funds)

Activity	Amount	Percentage
Homebuyer Assistance (all activities)	\$12,640,673	24.2%
Owner Occupied Housing Assistance	\$26,274,439	50.2%
Tenant Based Rental Assistance	\$2,356,478	4.5%
CHDO Rental Development	\$8,091,096	15.5%
Rental Housing Development	\$2,158,030	4.1%
Rental Housing Preservation	\$771,083	1.5%
Total	\$52,291,799	100%

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Homebuyer Assistance includes those awards made through the Contract for Deed and Persons with Disabilities categories. Owner-occupied housing assistance includes awards made through the Persons with Disabilities and Disaster Relief categories. Tenant-based rental assistance also includes awards made through the Persons with Disabilities category.

Matching Requirements

TDHCA provides matching contributions from several sources for HOME funds drawn down from the State HOME Investment Trust Funds Treasury account within the PY. The following sources are utilized:

- Proceeds from the sale of single family mortgage revenue bonds issued by TDHCA.
- Match contributions from the Texas Housing Trust Fund to affordable housing projects that are not HOME-assisted but that meet the requirements as specified in 92.219(b)(2).
- Eligible match contributions from State recipients and subrecipients, as specified in 24 CFR 92.220.

TDHCA annually submits a separate HOME match report, HUD 40107-A, which lists matching funds and sources provided by each HOME project.

DISTRIBUTION OF INVESTMENTS

This section reports on how PY 2005 funds were distributed and the location of HOME awards.

Allocation Formula

Section 2306.111, Texas Government Code mandates that TDHCA is to allocate no less than 95 percent of HOME funds to applicants that serve households located in a non-participating jurisdiction. The Department may use 5 percent of the HOME funds in participating jurisdictions, but only for multifamily developments that serve persons with disabilities¹ and adhere to TDHCA's Integrated Housing Rule.

TDHCA had a goal of allocating a minimum of 20 percent of the annual HOME allocation to applicants serving persons with special needs. Persons with "special needs" include homeless persons, elderly persons, frail elderly, persons with disabilities, persons with AIDS and AIDS-related diseases, victims of domestic violence, persons with alcohol and/or drug addictions, colonia residents, and migrant farm workers. Eligible applicants include nonprofits, units of general local government, and PHAs with documented histories of working with special needs populations. Eligible activities include homebuyer assistance, owner-occupied housing assistance, and tenant-based rental assistance. Additional scoring criteria were established under each of the eligible activities to assist TDHCA in reaching its goal.

Regional Allocation Formula

Section 2306.111, Texas Government Code, mandates that TDHCA allocate housing funds awarded in the HOME, Housing Trust Fund, and Housing Tax Credit (HTC) programs to each Uniform State Service Region using a formula developed by TDHCA. As a result, a large portion of the HOME funds were

¹ According to HUD, a person shall be considered to have a disability if the person is determined to have a physical, mental, or emotional impairment that: (1) is expected to be of long-continued and indefinite duration, (2) substantially impeded his or her ability to live independently, and (3) is of such a nature that the ability could be improved by more suitable housing conditions. A person shall also be considered to have a disability if he or she has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act (42 USC. 6001-6006). The term also includes the surviving member(s) or any household described in the first sentence of this paragraph who is (were) living in an assisted unit with the disabled member of the household at the time of his or her death. Disabilities reflect the consequences of a bodily impairment in terms of functional performance.

awarded using the Regional Allocation Formula (RAF) that responds to Section 2306.111. Funding associated with the following set-asides is not distributed through the RAF: Persons with Disabilities, Contract for Deed Conversions, American Dream Downpayment Assistance Program, (ADDI), Rental Housing Preservation Program, Rental Housing Development Program, and CHDO.

Section 2306.1112, Texas Government Code established TDHCA's Executive Award and Review Advisory Committee. HOME funding recommendations were presented to this committee prior to recommendation to TDHCA's Governing Board.

Regional Award of HOME Funds PY 2005 (Includes Administration Funds)

Region	Amount	% of Total Amount	Anticipated Beneficiaries	% of Total Beneficiaries
1	\$1,386,164	2.7%	24	1.1%
2	\$1,103,797	2.1%	20	0.9%
3	\$8,220,079	15.7%	294	13.7%
4	\$3,410,135	6.5%	82	3.8%
5	\$2,959,687	5.7%	107	5.0%
6	\$6,483,779	12.4%	387	18.0%
7	\$3,731,652	7.1%	238	11.1%
8	\$3,071,541	5.9%	195	9.1%
9	\$1,180,805	2.3%	43	2.0%
10	\$2,604,201	5.0%	58	2.7%
11	\$11,600,699	22.2%	441	20.5%
12	\$2,182,088	4.2%	56	2.6%
13	\$3,827,172	7.3%	183	8.5%
Multiple Regions	\$530,000	1.0%	20	0.9%
Total	\$52,291,799	100.0%	2148	100.0%

Award Locations

PY 2005 HOME awards were made in the following areas of the state. These numbers include administration dollars awarded to the contractor.

PY 2005 HOME Awards and Estimated Beneficiaries by Region

TDHCA Region	Contractor Name	County	Award Amount	Anticipated Beneficiaries
1	City of Amherst	Lamb	\$514,800	9
1	City of Denver City	Yoakum	\$179,177	3
1	City of Plains	Yoakum	\$177,387	3
1	City of Turkey	Hall	\$514,800	9

PY 2005 HOME Awards and Estimated Beneficiaries by Region (cont.)

TDHCA Region	Contractor Name	County	Award Amount	Anticipated Beneficiaries
2	City of Miles	Runnels	\$514,800	9
2	City of Rising Star	Eastland	\$514,800	9
2	City of Stamford	Jones	\$74,197	2
3	Affordable Housing of Parker County, Inc.	Parker, Wise	\$226,571	15
3	Christian Community Action	Denton	\$520,000	41
3	City of Bells	Grayson	\$514,800	9
3	City of Bonham	Fannin	\$104,000	10
3	City of Commerce	Hunt	\$104,000	10
3	City of Corsicana	Navarro	\$208,000	4
3	City of Kaufman	Kaufman	\$25,032	1
3	City of Kemp	Kaufman	\$514,800	9
3	City of Lone Oak	Hunt	\$514,800	9
3	City of McKinney	Collin	\$520,000	10
3	City of Princeton	Collin	\$514,800	9
3	Housing Authority of Frisco	Collin, Denton	\$213,476	22
3	Institute of Rural Development	Grayson	\$514,800	9
3	Affordable Housing of Parker County	Wise	\$625,000	40 units
3	Affordable Housing of Parker County	Parker	\$1,525,000	20 units
3	Affordable Caring Housing	Navarro	\$1,575,000	76 units
4	City of Berryville	Henderson	\$514,800	9
4	City of Bogata	Red River	\$93,992	2
4	City of Daingerfield	Morris	\$129,240	3
4	City of DeKalb	Bowie	\$232,630	4
4	City of Eustace	Henderson	\$232,630	4
4	City of Malakoff	Henderson	\$514,800	9
4	City of Mineola	Wood	\$47,451	5
4	City of Nash	Bowie	\$512,162	9
4	City of Van	Van Zandt	\$514,800	9
4	City of Winnsboro	Wood, Franklin	\$232,630	4
4	FDI Country Square	Morris	\$385,000	24 units

PY 2005 HOME Awards and Estimated Beneficiaries by Region (cont.)

TDHCA Region	Contractor Name	County	Award Amount	Anticipated Beneficiaries
5	Alpha Concepts, Inc.	Jefferson	\$44,881	4
5	Buckner Children & Family Services	Angelina, Nacogdoches	\$208,000	20
5	Burke Center	Angelina, Nacogdoches, Houston, Trinity, San Jacinto, Polk, Tyler, Jasper, Shelby, Newton, Sabine, San Augustine	\$65,423	6
5	City of Center	Shelby	\$243,617	4
5	City of Garrison	Nacogdoches	\$514,800	9
5	City of Nome	Jefferson	\$514,800	9
5	Hardin County	Hardin	\$315,640	5
5	Housing Authority of the City of Beaumont	Jefferson, Jasper, Orange	\$52,000	5
5	Newton County	Newton	\$498,160	13
5	East Texas Apartments	Nacogdoches	\$502,366	32 units
6	City of Bay City	Matagorda	\$260,000	25
6	City of El Campo	Wharton	\$520,000	9
6	City of Hitchcock	Galveston	\$514,800	9
6	City of Montgomery	Montgomery	\$520,000	9
6	City of Splendora	Montgomery	\$520,000	9
6	City of Wharton	Wharton	\$514,800	9
6	City of Willis	Montgomery	\$412,253	7
6	Ebenz Inc.	Galveston and Chambers	\$260,000	5
6	Southeast Texas Housing Finance Corporation	Austin, Chambers, Liberty, Galveston, Wharton, Matagorda, Walker, Waller	\$520,000	60
6	Tri-County Mental Health Mental Retardation Services	Walker, Liberty, Montgomery	\$171,859	17
6	Tri-County Mental Health Mental Retardation Services	Montgomery	\$356,937	34
6	Wharton County	Wharton	\$520,000	9
6	Wharton County	Wharton	\$408,130	7
6	FDI University Place	Wharton	\$375,000	82 units
6	FDI Park Place	Austin	\$225,000	40 units
6	FDI Bayshore Manor	Matagorda	\$385,000	56 units

PY 2005 HOME Awards and Estimated Beneficiaries by Region (cont.)

TDHCA Region	Contractor Name	County	Award Amount	Anticipated Beneficiaries
7	Bluebonnet Trails Community MHMR Center	Bastrop, Burnet, Caldwell, Fayette, Lee, Williamson	\$110,400	11
7	Bluebonnet Trails Community MHMR Center	Bastrop, Burnet, Caldwell, Fayette, Lee, Williamson	\$105,225	11
7	City of Marble Falls	Burnet	\$441,601	8
7	City of San Marcos	Hays	\$420,900	8
7	Travis County Housing Finance Corporation	Travis	\$223,080	30
7	Community Partnership for the Homeless	Travis	\$1,644,000	30 units
7	Foundation Communities	Travis	\$786,446	140 units
8	City of Bellmead	McLennan	\$255,116	5
8	City of Groesbeck	Limestone	\$520,000	9
8	City of Mexia	Limestone	\$520,000	50
8	City of Whitney	Hill	\$208,000	20
8	City of Whitney	Hill	\$277,342	5
8	Temple Housing Authority	Bell, Milam	\$520,000	48
8	Clifton-Charger Properties	Bosque	\$515,566	40 units
8	Hamilton-Charger Properties	Hamilton	\$255,517	18 units
9	Bluebonnet Trails Community MHMR Center	Guadalupe	\$52,000	5
9	Bluebonnet Trails Community MHMR Center	Guadalupe	\$52,000	5
9	City of Bandera	Bandera	\$514,800	9
9	City of New Braunfels	Comal	\$330,625	16
9	Ellis Townhomes, Inc.	Comal	\$30,656	3
9	Kendall County	Kendall	\$99,219	2
9	Marble Falls Housing Authority	Gillespie	\$101,505	3

PY 2005 HOME Awards and Estimated Beneficiaries by Region (cont.)

TDHCA Region	Contractor Name	County	Award Amount	Anticipated Beneficiaries
10	Bee Community Action Agency	Bee	\$286,000	5
10	City of Ingleside	San Patricio	\$286,000	5
10	City of Odem	San Patricio	\$514,800	9
10	City of Taft	San Patricio	\$514,800	9
10	City of Yoakum	Lavaca, Dewitt	\$378,601	7
10	Kingsville Housing Authority	Kleberg	\$104,000	15
10	The Latino Education Project, Incorporated	Nueces, Duval	\$520,000	8
11	City of Asherton	Dimmit	\$514,800	9
11	City of Carrizo Springs	Dimmit	\$514,800	9
11	City of El Cenizo	Webb	\$514,800	9
11	City of Encinal	LaSalle	\$514,800	9
11	City of Los Fresnos	Cameron	\$468,000	45
11	City of Los Indios	Cameron	\$69,559	2
11	City of Primera	Cameron	\$230,219	21
11	City of Roma	Roma	\$69,559	2
11	City of San Benito	Cameron	\$312,000	30
11	City of San Benito	Cameron	\$520,000	16
11	Community Action Social Services and Education, Inc. (CASSE)	Maverick	\$520,000	9
11	Community Colonias Organization	Maverick	\$514,800	9
11	Community Council of Southwest Texas, Incorporated	Edwards, Kinney, Real, Uvalde, Val Verde, Dimmit, Maverick, Zavala	\$520,000	50
11	Community Development Corporation of Brownsville	Cameron	\$520,000	10
11	Community Services Agency of South Texas, Incorporated	LaSalle, Dimmit	\$457,600	9
11	Coto De Casa, Incorporated	Hidalgo	\$197,600	19
11	Edinburg Housing Authority	Hidalgo	\$520,000	50
11	FUTURO Communties, Incorporated	La Salle, Zavala, Dimmit, Uvalde, Maverick	\$312,000	30

PY 2005 HOME Awards and Estimated Beneficiaries by Region (cont.)

TDHCA Region	Contractor Name	County	Award Amount	Anticipated Beneficiaries
11	Housing Authority of the City of Crystal City	Zavala	\$514,800	9
11	La Gloria Development Corporation	Webb	\$56,942	6
11	La Gloria Development Corporation	Webb	\$286,000	5
11	La Salle County	LaSalle	\$69,559	2
11	Laredo-Webb Neighborhood Housing Services, Inc.	Webb	\$514,800	9
11	The Housing Authority of the City of Del Rio	Val Verde	\$514,800	9
11	Webb County	Webb	\$70,261	2
11	Webb County	Webb	\$520,000	9
11	Housing Plus	Cameron	\$1,763,000	52 units
12	City of Bronte	Coke	\$514,800	9
12	City of McCamey	Upton	\$149,224	3
12	City of Midland	Midland	\$156,000	5
12	City of Wickett	Ward	\$514,800	9
12	Midland Habitat for Humanity	Midland	\$41,600	4
12	Pecos County	Pecos	\$520,000	10
12	Brady-Charger Properties	McCulloch	\$285,664	16 units
13	Adults and Youth United Development Association	El Paso	\$520,000	10
13	Alianza Para El Desarrollo Comunitario, Inc.	El Paso, Hudspeth	\$514,800	9
13	Border Fair Housing and Economic Justice Center	El Paso	\$514,800	9
13	City of Dell City	Hudspeth	\$126,027	3
13	City of Socorro	El Paso	\$138,123	3
13	City of Socorro	El Paso	\$62,400	1
13	County of El Paso	El Paso	\$254,800	5
13	El Desarrollo Comunitario Incorporated	El Paso	\$312,000	30

PY 2005 HOME Awards and Estimated Beneficiaries by Region (cont.)

TDHCA Region	Contractor Name	County	Award Amount	Anticipated Beneficiaries
13	El Paso Collaborative for Community and Economic Development	El Paso	\$520,000	10
13	El Paso Collaborative for Community and Economic Development	El Paso	\$468,000	50
13	El Paso Community Action Program, Project Bravo, Inc.	El Paso, Hudspeth, Culberson	\$97,545	10
13	Hudspeth County	Hudspeth	\$126,027	3
13	Hacienda Santa Barbara	El Paso	\$172,650	40 units
3,6,7,8,13	United Cerebral Palsy of Texas	Travis, Williamson, Hays, Caldwell, Burnet, Blanco, Bastrop, Harris, El Paso, Tarrant, Parker, Johnson, Dallas, McLennan, Hill, Bell, Coryell	\$530,000	20
Total			\$52,291,799	2,148

FAMILIES AND PERSONS ASSISTED

This section describes the households assisted with HOME funds.

Anticipated Households Served with PY 2005 Funding

For contacts that were awarded with PY 2005 funds, there are 2148 total anticipated beneficiaries.

PY 2005 Estimated Funds and Beneficiaries

	HOME Activity	Total Estimated Beneficiaries	Total Funding
Owner	Homebuyer Assistance	724	\$12,640,673
	Owner-Occupied Assistance	511	\$26,274,439
Renter	Tenant-Based Rental Assistance	207	\$2,356,478
	CHDO Rental Development	398	\$8,091,096
	Rental Development	250	\$2,158,030
	Rental Preservation	58	\$771,083
Total		2,148	\$52,291,799

Actual Households Served in PY 2005

This section reports on the actual households served in PY 2005 (February 1, 2005, though January 31, 2006) through current contracts. These contracts were originally awarded in 2001 though 2005, and assisted households during the PY 2005 reporting period. There were 2,142 total beneficiaries reported in PY 2005 through these contracts.

Program Performance

HOME

	HOME Activity	Total Actual Beneficiaries	Total Committed
Owner	Homebuyer Assistance	494	\$4,044,449
	Owner-Occupied Assistance	703	\$35,320,787
Renter	Tenant-Based Rental Assistance	692	\$3,562,223
	Rental Development Assistance	253	\$7,748,160
Total		2,142	\$50,675,619

Actual Households Served in PY 2005 by Special Needs Population

Special Needs Group	Number of Households	Percentage
AIDS	51	2%
Elderly	305	14%
Homeless	144	7%
Large Family		
Mental Disability		
Physical Disability	568	27%
Migrant Farmworker	2	
Colonias	14	1%
Not Applicable	1,058	49%
Total	2,142	100%

Racial and Ethnic Status of Persons Assisted

The racial and ethnic status of the 2,142 total individuals receiving assistance in PY 2005 is reported below.

Racial and Ethnic Status of Persons Assisted in PY 2005

Ethnicity	Persons Assisted	Percent
White	1,367	64%
Black /African American	343	16%
Asian	3	
American Indian/Alaska Native	5	
Native Hawaiian/Other Pacific Islander		
American Indian and White	2	
Asian and White	2	
Black/African American and White	6	1%
American Indian/Alaska Native And Black/African American	2	
Other Multi-Race	159	7%
Native Hawaiian/Pacific Islander and Asian		
Unspecified	253	12%
Total	2,142	100.0%

Of 2,142 total persons, 886, or 41 percent, have Hispanic or Latino origin. The breakdown of this population is below.

Hispanic Origin of Persons Assisted in PY 2005

Ethnicity	Persons Assisted	Percent
Hispanic and White	740	35%
Hispanic and Black /African American	1	
Hispanic and Asian	1	
Hispanic and American Indian/Alaska Native	1	
Hispanic and Native Hawaiian/Other Pacific Islander		
Hispanic and Other Race or Multiracial	143	6%
Total	886	41%

Income Status of Persons Assisted

The income status of the 2,142 total individuals receiving assistance in PY 2005 is reported below.

Income Status of Households Served in PY 2005

Income Category	Number of Households	Percentage
Extremely Low Income (0-30% AMFI)	1,121	52%
Very Low Income (31-50% AMFI)	416	19%
Low Income (51-60% AMFI)	123	6%
Low Income (61-80% AMFI)	228	11%
Other	254	12%
Total	2,142	100%

Income Status of Households Served in PY 2005 by Activity

	HOME Activity	0-30%	31-50%	51-60%	61-80%	Vacant	Total
Owner	Homebuyer Assistance	39	137	105	212	1	494
	Owner-Occupied Assistance	451	218	18	16		703
Renter	Tenant-Based Rental Assistance	631	61				692
	Rental Development Assistance					253	253
Total		1,121	416	123	228	254	2,142

FAIR HOUSING ACTIVITIES

The State of Texas last revised its Analysis of Impediments to Fair Housing in 2003, and is currently in the process of updating the document. In the 2003 Analysis, the following impediments were identified: lack of affordable housing, lack of available resources, lack of organizational capacity, public opposition to affordable housing, and discrimination. This section describes TDHCA's efforts to affirmatively further fair housing through the HOME Program.

Monitoring and Compliance of the Fair Housing Requirements

Fair Housing complaints received by TDHCA are forwarded directly to the Texas Workforce Commission Civil Rights Division, which is the Texas state agency responsible for enforcement of the Texas Fair Housing Act.

Program Performance

HOME

If design and construction violations of Section 504 of the Rehabilitation Act of 1973 are identified, TDHCA requires Program administrators to take corrective actions. Such violations can impact the owner's future participation in the HOME Program.

TDHCA's Portfolio Management and Compliance (PMC) division is responsible for on-site monitoring review of Program administrators. Monitors utilize a checklist to review compliance with fair housing, accessibility and affirmative marketing requirements.

- The monitoring checklist provides several questions related to the availability of the affirmative marketing plan and is reviewed during the on-site monitoring visit. Documentation of outreach efforts, such as copies of newspaper notices, posters, brochures, and general knowledge of the Program administrator is reviewed by the monitors.
- The monitors review information provided by the Program administrator and demographic data of the beneficiaries served.
- Any findings of noncompliance must be resolved within 30 days of receiving a monitoring report. Repeated or unresolved findings may affect future funding.

TDHCA PMC staff provide technical assistance during their onsite review if the Program administrator's affirmative marketing plan appears to be too general.

Fair Housing Conferences and Workshops

Staff members of the TDHCA Field Offices attended various workshops to provide technical assistance regarding TDHCA housing programs and fair housing issues. USDA, local community services, lenders and realtors participated in these workshops.

Fair Housing Training

The HTC Qualified Allocation Plan required owners and architects to attend at least eight hours of Fair Housing training. The Department maintains a list of entities that provide ongoing training to ensure that training opportunities are shared with developers, architects, and TDHCA staff. Training attended by owners and architects that is offered by other entities may also satisfy this requirement. by other entities satisfy this requirement.

ACCOMPLISHMENTS IN HIGH PRIORITY AREAS

This section demonstrates how activities undertaken during the program year address identified areas of high priority and program objectives.

Housing Priority Needs Summary Table

Priority Housing Needs			Priority Need Level		
Households (HH)			H=High, M=Medium, L= Low, N=No Such Need		
			0-30%	31-50%	51-80%
Renter	Elderly HH	Cost Burden > 30%	H	H	H
		Cost Burden > 50%	H	H	H
		Substandard	H	H	H
		Overcrowded	H	H	H
	Small Related HH	Cost Burden > 30%	H	H	H
		Cost Burden > 50%	H	H	H
		Substandard	H	H	H
		Overcrowded	H	H	H
	Large Related HH	Cost Burden > 30%	H	H	H
		Cost Burden > 50%	H	H	H
		Substandard	H	H	H
		Overcrowded	H	H	H
	All Other HH	Cost Burden > 30%	H	H	H
		Cost Burden > 50%	H	H	H
		Substandard	H	H	H
		Overcrowded	H	H	H
Owner	Cost Burden > 30%	H	H	H	
	Cost Burden > 50%	H	H	H	
	Substandard	H	H	H	
	Overcrowded	H	H	H	

Specific Accomplishments

This section describes specific HOME Program activities undertaken during PY 2005 that address high priority needs. Please see the “Goals and Objectives” section for detailed information about HOME Program goals and objectives, which also address these needs.

The purpose of the HOME Program is to expand the supply of decent, safe, and affordable housing for extremely low, very low, and low income households and to alleviate the problems of excessive rent burdens, homelessness, and deteriorating housing stock. The HOME Program funds are awarded utilizing a competitive methodology and scoring criteria, one of the scoring categories is income targeting. Applicants are awarded additional points for targeting extremely low income households. The HOME Program addresses high priority needs areas by making available a majority of its annual HUD allocation to rural areas of Texas, pursuant to §2306.111(d) of the Texas Government Code.

Persons with Disabilities

In order to address the needs of persons with disabilities, the HOME Program accomplished the following during PY 2005.

Program Performance

HOME

The Department awarded approximately \$789,446 to a 133-unit Single-Room Occupancy multifamily development. The HOME dollars funded 30 units of affordable housing for persons with disabilities.

For single family activities, TDHCA allocated a total of \$5,983,237 to fund a total of 24 applicants that have committed to serving persons with disabilities with all or a portion of their funds. The Department awarded \$500,000 through the Persons with Disabilities Set-Aside to the Home of Your Own Program, which is projected to assist 20 persons with disabilities purchase a home. TDHCA also funded an additional homebuyer assistance award of \$500,000 that will assist 5 persons with disabilities. For owner-occupied home repair, 14 awards totaling \$3,899,275 will help repair the homes of 96 persons with disabilities. For tenant-based rental assistance, 8 awards totaling \$1,083,962 will provide rental assistance to 221 persons with disabilities.

ON-SITE INSPECTIONS

In accordance with 24 CFR 91.520(d), this section includes the results of on-site inspections of affordable rental housing assisted through the HOME Program.

TDHCA has an Asset Management Committee comprised of members from its Real Estate Analysis, Portfolio Management and Compliance, Multifamily Production, Legal, and Financial Services divisions. The committee meets bi-weekly to discuss troubled assets. PMC contacts all HOME property owners with outstanding noncompliance to provide them with an opportunity to correct issues. If they fail to respond, the property will be forwarded to the Asset Management Committee. Possible sanctions include default, foreclosure, and receivership. However, the Department strives to work cooperatively with owners to restore compliance. Before imposing sanction, alternative solutions are considered such as restructuring debt, intensive depth technical assistance, and/or requiring changes in management companies.

In addition to the sanctions listed above, the TDHCA has a noncompliance scoring system. Owners found to be in material noncompliance are not eligible for additional funding from TDHCA.

PY 2005 HOME Program Property Inspections

File	Property Name	Non-Compliance Identified?	If "Yes," what was the finding?	Finding Corrected?	Corrected Date
530200	St. John Colony Park	Yes	Failure to maintain documentation; Income over limit; UA incorrectly calculated; Fair housing logos not posted	No	Owner response due 9/10/2005 - No response received. Follow-up letter sent 1/13/2006.
530617	Spring Garden Apartments III	No			
530687	Alamo Plaza Apartments	No			
530687	Alamo Plaza Apartments	No			
530717	Eagle Lake Gardens Apartments	No			
530727	Raintree Apartments	No			
530737	Parkside Place Apartments	No			
532036	EOAC Home (McGregor (2 houses) 203 Laurel Lane & 1119 Jefferson	Yes	Income over limit; Rents over limit; Property set-aside not met	No	Owner Owner response due 5/26/2006
532037	EOAC Home (Marlin (2 houses))	No			
532277	Tyler Community Home	Yes	Failure to maintain documentation; Health & Safety violations; Income over limit	No	Owner response due 10/1/2005 - Response under review
532300	Brazos Bend Villas	Yes	Failure to maintain documentation	Yes	7/1/2005
532303	Sterling Park Square	Yes	Failure to maintain documentation; Rents over limit	No	Owner response due 1/15/2006 - Referred to Asset Management Committee and foreclosure initiated
532305	Port Velasco Apartments	Yes	Health & Safety violations; Income over limit	H&S - Yes / Income - No	H&S corrected 2/13/2006. Income over limit remains uncorrected
532315	Plainview II (Triplex)	Yes	Property set-aside not met	No	Owner response due 1/11/2006 - Written plan to achieve compliance submitted and approved on 1/11/2006
532318	Railroad Street Rental House	No			
532321	Warren House Apartments	No			
532323	Mexia Homes	Yes	Not allowed to monitor	No	Referred to Asset Management Committee
532334	San Jacinto Senior Housing	No			
532336	Sunrise Village Phase I (HOME)	No			
532339	Ebenezer Senior Housing	Yes	HQS Inspections	No	Owner response due 4/21/2006
532410	Sunrise Villas	Yes	Failure to maintain documentation; Health & Safety violations; HQS Inspections	HQS - Yes / Doc; H&S - No	HQS corrected 11/30/2005. Documentation and H&S remain uncorrected

File	Property Name	Non-Compliance Identified?	If "Yes," what was the finding?	Finding Corrected?	Corrected Date
533199	Tyler Community Home (Path)	Yes	Failure to maintain documentation	No	Owner response due 9/29/2005 – Response under review
533288	Ranchland Apartments	Yes	Next available qualifying unit rule; Rents over limit	Yes	3/28/2005 & 7/5/2005
533303	Colorado City Homes	Yes	Rents over limit; Income over limit; HQS Inspections	HQS Yes / Rents, Income No	HQS – 11/30/2005
533308	Webb Street Revitalization	Yes	Property set-aside not met	No	Owner response due 12/16/2005 – Response under review
533316	Town Creek Homes	Yes	Health & Safety violations; HQS Inspections	Yes	9/7/2005 & 11/30/2005
533345	Juan Linn Apts	Yes	Failure to maintain documentation; HQS Inspections; UA incorrectly calculated; Special needs set-aside not met	No	Owner response due 5/6/2006
533504	Heritage at Dartmouth	No			
534031	Rincon Point Apartments	No			
534276	Golden Age Home	No			
534284	Cedar Ridge Apartments	No			
534341	Colorado City Homes II	Yes	HQS Inspections	Yes	11/30/2005
535003	Llano Square Apartments	No			
535004	Jourdanton Elderly Housing	Yes	Failure to maintain documentation; HQS Inspections; Affirmative Marketing Plan	No	Owner response due 11/22/2005 - Response under review
535028	Jefferson Square Apartments	Yes	HQS Inspections	Yes	10/10/2005
535031	Parkview Place Apartments	Yes	Failure to maintain documentation	Yes	9/1/2005
535248	Olton Multifamily Housing	Yes	Failure to maintain documentation; HQS Inspections; UA incorrectly calculated; Affirmative Marketing Plan; Special needs set-aside not met	HQS & UA – Yes / remaining – No	HQS corrected 2/9/2006; UA corrected 9/1/2005; The remaining findings remain uncorrected.
535249	Hill Street Project	Yes	Health & Safety violations	Yes	8/27/2005
535253	Villa De Reposo Pearsall, Tx	Yes	Special needs set-aside not met	No	Owner response due 7/14/2005 – No response received
535259	West Gate Apartments	Yes	Failure to maintain documentation	No	Owner response due 1/4/2006 – Response under review
536264	Commonwealth Apartments	No			
536268	Keystone Apartments	Yes	Rents over limit; HQS Inspections	Yes	11/23/2005

File	Property Name	Non-Compliance Identified?	If "Yes," what was the finding?	Finding Corrected?	Corrected Date
536272	Lockhart Housing Authority	Yes	Senior age restrictions not met	No	Owner response due 10/1/2005 – No response received. Follow-up request sent.
536288	Whitney Retirement Village	Yes	Rents over limit	Yes	7/14/2005
536291	Carriage Square Apartments (aka: Lakeside Center)	Yes	Failure to maintain documentation	No	Owner response due 9/5/2005 – No response received. Referred to Asset Management Committee. On-site visit scheduled for 4/18/2006
536292	Sutton Square Duplexes	No			
536293	Autumn Springs Senior Apartments	Yes	Failure to maintain documentation; HQS Inspections	No	Owner response due 12/16/2005 – No response received. Follow-up letter sent on 2/13/2006.
536294	Leaning Oaks Seniors	No			
536297	Supportive Housing Program	No			
537070	Granada Apartments	No			
537072	Turtle Creek Townhomes	No			
537076	Palestine Senior II	Yes	HQS Inspections	No	Owner response due 11/4/2005 – No response received. Extended response deadline to 3/24/2006
537078	Westwind Village	Yes	Rents over limit	Yes	12/7/2005
537079	San Augustine Seniors Apt.	No			
537601	Notredame Hills, G.P.	No			
537602	Hero Housing (aka: Hillside Senior Community)	No			
537603	West Avenue Apartments	No			
537603	West Avenue Apartments	No			
537605	Denver City Multi-family aka Sunshine Villa	Yes	Failure to maintain documentation; HQS Inspections; UA incorrectly calculated	Yes	12/30/2005
538089	Spring Garden Apartments II	Yes	Failure to maintain documentation	Yes	6/27/2005
538092	Alpine Retirement Community	Yes	Failure to maintain documentation; Property set-aside not met	Yes	12/1/04 & 2/12/2005
538263	Santa Lucia Housing	Yes	Failure to maintain documentation; Property set-aside not met	Doc – Yes / Set-aside – No	Documentation corrected 12/15/2005. Property set-aside remains uncorrected.
538613	Brittons Place	Yes	Special needs set-aside not met	Yes	8/9/2005
538620	May Road Apartments	No			

File	Property Name	Non-Compliance Identified?	If "Yes," what was the finding?	Finding Corrected?	Corrected Date
538621	Commonwealth, Phase II	No			
538625	Prado II Apartments	Yes	Failure to maintain documentation	Yes	10/31/2005
539110	Villa De Reposo San Luis Asherton, Tx	Yes	Health & Safety violations	Yes	9/13/2005
539112	Weldon Blackard Rental	Yes	Health & Safety violations; HQS Inspections	HQS Yes / H&S No	Owner response due 10/14/2005 - HQS Inspections submitted and corrected. Department sent letter in March 2006 requesting corrective action for all past noncompliance. On-Site visit scheduled for June 2006. If noncompliance remains outstanding will refer to asset management committee for further action.
539113	Piney Woods Home Team Affordable Housing, Inc	Yes	Rents over limit	Yes	5/31/2005
539116	Riverview Apartments	Yes	Income over limit	No	Owner response due 10/1/2005 - No response received. Referred to asset management committee.
539117	NCDO II-Home Program	No			
539119	Asbury Place Apartments	No			
539122	Center Park Apartments	No	5/24/2005 no findings		
539122	Center Park Apartments	No	10/18/2005 no findings		
542076	Bridgeport Estates Phase II	Yes	Rents over limit; Affirmative Marketing Plan	Yes	12/1/2005 & 12/6/2005
536268A	Chateau Apartments	No			
536268C	Palisades at Bellville	Yes	UA incorrectly calculated	Yes	1/17/2006
536268D	Red River Independent Senior Living Center	No			

AFFIRMATIVE MARKETING AND MINORITY OUTREACH

The HOME Program ensures that HOME Program administrators comply with the fair housing, accessibility, and affirmative marketing requirements of the program. The following actions are taken by TDHCA to ensure compliance.

- An Application Guide, which discusses these issues and includes guidance regarding the affirmative marketing plan requirements, is provided at the time of Application.
- An Implementation Manual, which discusses these issues, is provided to all HOME Program administrators.
- On a quarterly basis, TDHCA conducts compliance training workshops for HOME Program administrators. These workshops include a chapter regarding Fair Housing, accessibility, and affirmative marketing requirements of the program.
- HOME Program administrators must submit an Affirmative Marketing Plan.

In accordance with HOME regulations at 24 CFR 92.351 (a) and (b) and in furtherance of Texas's commitment to nondiscrimination and equal opportunity in housing, TDHCA has established procedures to affirmatively market units assisted under HOME. These procedures are intended to further the objectives of Title VIII of the Civil Rights Act of 1968, the Fair Housing Amendments of 1988, and Executive Order 11063.

Affirmative Marketing Actions

Subrecipients of HOME funds are required to adopt affirmative marketing procedures and requirements for rental and homebuyer projects containing five or more HOME-assisted housing units. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status, or disability.

The marketing program outlines procedures by which applications will be solicited from eligible potential program participants, maintain records of efforts to affirmatively market program activities or available housing opportunities, and to develop a system for evaluating the affirmative marketing efforts.

Specific Actions

- Program administrators must ensure that the public, including potential beneficiaries of HOME-assisted housing, is informed that the HOME program is administered under an established, affirmative marketing policy; applicable federal Fair Housing laws; and other applicable federal, state, and local housing laws. This policy must be promoted in the community through media and other outlets, and communicated to beneficiaries of housing that will be or has been assisted with HOME funds.
- Program administrators shall affirmatively market available housing in local newspapers and using other appropriate methods. All forms of program marketing should depict the Equal Housing Opportunity logo.
- To help ensure that available housing is affirmatively marketed to persons not likely to apply for such housing, Program administrators are encouraged to make HOME information available in non-English languages spoken by minority groups residing in or near the community. Furthermore, Program administrators are encouraged to distribute marketing materials to area social service agencies that work with minorities, disabled individuals, or other protected groups.

Program Performance

HOME

Affirmative Marketing Record Keeping

Program administrators are required to develop an affirmative marketing plan to identify persons who are the least likely to apply and how to reach those persons. Administrators must maintain documentation of their affirmative marketing activities. Program administrators also must update their affirmative marketing plan for HUD every five years. TDHCA collects Fair Housing Sponsor Report data from each rental housing development program administrator annually. The program administrators use this information in preparing their affirmative marketing plan update.

Minority Outreach

Information on the number and dollar value of contracts for HOME projects completed during the reporting period to Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) is provided below.

HOME Projects Completed by Minority and Women Business Enterprises

		Minority Business Enterprises (MBE)				
	a. Total	b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	f. White Non-Hispanic
A. Contracts						
1. Number	385			4	35	346
2. Dollar Amount	\$17,763,395			\$120,610	\$955,450	\$16,687,335
B. Sub-Contracts						
1. Number	2,744				577	2,167
2. Dollar Amount	\$6,956,664				\$1,371,374	\$5,585,290
	a. Total	b. Women Business Enterprises (WBE)	c. Male			
C. Contracts						
1. Number	385	9	376			
2. Dollar Amount	\$17,763,395	\$403,650	\$17,359,745			
D. Sub-Contracts						
1. Number	2,744	10	2,734			
2. Dollar Amounts	\$6,956,664	\$31,500	\$6,925,164			

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM

The Human Immunodeficiency Virus (HIV) disease and Acquired Immunodeficiency Syndrome (AIDS) is fast becoming a disease of the poor. The proportion of AIDS cases is higher among women, children, and minorities, who are already over-represented among the poor. The debilitating nature of HIV disease and the high cost of medical treatment affect employability, while increasing the cost of living. Loss of employment, under-employment and lack of insurance quickly drain financial resources and can lead to loss of housing. While affordable housing declines, the need for housing may actually increase as people with HIV live longer due to improved medical treatments.

Using an estimate made by the National Commission on AIDS that one-third to one-half of persons with AIDS are either homeless or at risk of homelessness, there may be from 13,975 to 20,963 people living with AIDS in Texas who are homeless or at risk of homelessness. It is unknown how many symptomatic people with HIV are at risk. Housing continues to rank high on the needs assessments of people with HIV/AIDS.

DSHS distributes approximately \$17.7 million in Ryan White and State Services grants to provide a wide array of health and social services for persons with HIV/AIDS. An additional \$81.6 Million is spent on HIV medications. Federal Ryan White funds may not be used for housing except for housing referral services and short-term or emergency housing, defined as necessary to gain or maintain access to medical care.

The Texas HOPWA program continues to fill the unmet need by providing emergency housing assistance and rental assistance. Since the primary objective of this project is the provision of assistance to continue independent living, the continuation of HOPWA funding is critical in addressing the future threat of homelessness for persons with HIV/AIDS in Texas.

DESCRIPTION OF RESOURCES

This section describes HOPWA funding that was available for PY 2005.

PY 2005 Funding

PY 2005 HOPWA State Allocation

1. Unexpended HOPWA funds at the end of previous report period, PY 2004	1,028,551
2. Amount of HOPWA grant received during PY 2005	2,634,000
3. Program Income (e.g., loan repayments)	0
4. Total of HOPWA funds available during PY 2005 (sum of lines 1 thru 3)	3,662,551

PY 2005 Activities

In 2005, the HOPWA program administered by the DSHS provided the following two activities:

- **EMERGENCY ASSISTANCE PROGRAM.** This program provides short-term rent, mortgage, and utility payments to prevent homelessness of the tenant or mortgagor of a dwelling. It enables low income individuals at risk of becoming homeless to remain in their current residences for a period not to exceed 21 weeks in any 52-week period. Payments for rent, mortgage, and/or utilities, including telephone, up to the cap established locally, are provided. The project sponsor makes payment directly to the provider with the client paying any balance due.

Program Performance

HOPWA

- **RENTAL ASSISTANCE PROGRAM.** This program provides tenant-based rental assistance, including assistance for shared housing arrangements. It enables low income clients to pay their rent and utilities until there is no longer a need, or until they are able to secure other housing. Clients must contribute the greater of 10 percent of gross income or 30 percent of adjusted gross income towards their rent or they must contribute the amount of welfare or other assistance received for that purpose. The project sponsor pays the balance of the rent up to the Fair Market Rent value.

INVESTMENT OF RESOURCES

This section describes HOPWA funding commitments that were made with PY 2005 funds.

PY 2005 HOPWA Program Expenditures

HOPWA Expenditures (Totals by Eligible Activity)	Amount
5. Expenditures for Housing Information Services	\$0
6. Expenditures for Resource Identification	\$0
7. Expenditures for Housing Assistance (equals the sum of all sites and scattered-site Housing Assistance reported in Exhibit G.)	\$2,408,762
8. Expenditures for Supportive Services (equals the sum of all Exhibit H funds used)	\$0
9. Grantee Administrative Costs expended	\$46,571
10. Project Sponsor(s) Administrative Costs expended	\$117,120
11. Total of HOPWA funds expended during period (sum of lines 5-10)	\$2,572,453
12. Balance of HOPWA funds at end of report period (line 4 minus 11)	\$1,090,098

PY 2005 HOPWA Expenditures by Project Sponsor

Reporting Period: February 1, 2005 - January 31, 2006

CONTRACTOR	CONTRACT AMOUNT	EXPENDITURES				UN-EXPENDED BALANCE
		SHORT-TERM	LONG-TERM	ADMIN	TOTAL	
Coastal Bend AIDS	\$274,559	\$80,558	\$146,599	\$5,929	\$233,086	\$41,473
Brazos Valley Community Action	66,386	4,916	56,290	4,607	65,813	573
Community Action Inc	23,421	5,915	10,572	1,094	1,7581	5,840
San Angelo AIDS Foundation	55,130	2,453	45,898	3,832	52,183	2,947
United Way of the Greater For Hood Area	65,012	18,828	36,063	828	55,719	9,293
Waco/McLennan County Public Health District	77,377	22,596	49,832	0	72,428	4,949
AIDS Resource of Rural Texas	16,586	5,813	4,264	500	10,577	6,009
AIDS Resource Center of Texoma	38,447	4,949	30,807	2,691	38,447	0
Special Health Resources for Texas Inc-Tyler HSDA	252,361	100,507	146,890	8,807	256,204	0
Special Health Resources for Texas INC-Texaskana HSDA	89,366	56,979	32,387	0	89,366	0

PY 2005 HOPWA Expenditures by Project Sponsor (cont.)

CONTRACTOR	CONTRACT AMOUNT	EXPENDITURES				UN-EXPENDED BALANCE
		SHORT-TERM	LONG-TERM	ADMIN	TOTAL	
AIDS Foundation Houston	22,366	22,366	0	0	22,366	0
AIDS Coalition of Coastal Texas	142,174	56,823	69,110	7,039	132,972	9,202
AIDS Resources of Rural Texas- Abilene/Weatherford	143,944	58,204	77,318	7,207	142,729	1,215
Planned Parenthood Association of Lubbock	84,652	15,846	58,890	3,148	77,884	6,768
Panhandle AIDS Service Organization Amarillo	116,284	35,601	75,378	5,168	116,147	137
Permian Basin Assistance Services	105,747	8,883	89,744	6,914	105,541	206
City of Laredo Health Department	87,800	3,667	82,409	0	86,076	1,724
Valley AIDS Council	343,416	12,218	309,168	22,030	343,416	0
Triangle AIDS Network	122,704	16,204	100,498	6,001	122,703	1
Health Horizons	136,843	78,888	48,375	6,824	134,087	2,756
Planned Parenthood of El Paso	350,599	59,993	266,063	24,501	350,557	42
Total	\$2,615,174	\$672,207	\$1,736,555	\$117,120	\$2,525,882	\$93,135

Matching Requirements

The HOPWA program has no matching requirement.

DISTRIBUTION OF INVESTMENTS

This section reports on how PY 2005 were distributed and the location of HOPWA awards.

Allocation Formula

HOPWA funds are allocated to project sponsors based on a formula allocation:

1. Each HSDA's proportion of the total number of Texas AIDS cases reported, as collected by DSHS HIV/AIDS Surveillance System;
2. Each HSDA's proportion of the total Texas population, using estimates from the Texas A&M University Texas State Data Center; and
3. The ratio of each HSDA's estimated 1990 poverty rate to the State's 1990 poverty rate.

All counties that are included in the five directly-funded Eligible Metropolitan Service Areas (Austin, Dallas, Fort Worth, Houston, and San Antonio) in Texas are excluded from the formula. Those counties removed from the formula to avoid duplication of services are Bastrop, Caldwell, Hays, Travis, Williamson, Collin, Dallas, Denton, Ellis, Hunt, Kaufman, Rockwall, Hood, Johnson, Parker, Tarrant, Chambers, Fort Bend, Harris, Liberty, Montgomery, Waller, Bexar, Comal, Guadalupe, and Wilson.

Since 1998, in addition to the above formula allocation, DSHS uses any annual increase in funds to reallocate and/or redistribute unspent funds to HSDA's that have shown the ability to effectively use HOPWA funds and are in greatest need of the funds.

Program Performance

HOPWA

All 26 of the state's HSDA's receive HOPWA funding through a contract with the Administrative Agency serving the HSDA. Each Administrative Agency will either directly administer the HOPWA funds or contract with another provider for delivery of the services. Administrative agencies are selected based on a competitive RFP process, and they in turn select HOPWA project sponsors through a competitive process.

Each Administrative Agency is required to submit objectives and a plan of action for expenditure of its allocation. Award of their funding allocation is contingent upon the submission of a DSHS accepted plan of action. DSHS reserves three percent of total award for administrative and indirect cost combined. Project Sponsors are allowed to use up to seven percent of the amount received for personnel or other administrative costs. The project sponsors are listed below.

HIV Service Delivery Areas with State HOPWA funding

AIDS Coalition of Coastal Texas	Costal Bend AIDS Foundation	Triangle AIDS Network
AIDS Resource Center of Texoma	Health Horizons	United Medical Centers
AIDS Resource of Rural Texas	Panhandle AIDS Service Organization	United Way of the Greater For Hood Area
AIDS Resources of Rural Texas- Abilene	People with AIDS Coalition	Valley AIDS Council
AIDS Resources of Texas- Weatherford	Permian Basin Assistance Services	Victoria City-County Health Department
Bexar County Health and Human Services Department	Planned Parenthood Association of Lubbock	Waco/McLennan County Public Health District
Brazos Valley Community Action	Planned Parenthood of El Paso	Wichita Falls Wichita County Health Department
City of Laredo Health Department	San Angelo AIDS Foundation	
Community Action Inc	Special Health Resources for Texas INC	

Award Locations

PY 2005 HOPWA funds served the following areas of the state.

The HOPWA program covers the entire State through established HIV Service Delivery Areas (HSDA's). In addition to the HOPWA program, administrative agencies administer the State and federal funds for HIV health and social services, including the Ryan White CARE Act-Title II, and State Services grants. An Administrative Agency administers the HOPWA grant, Ryan White CARE Act/Title II grant, and the State Services grants. There are 26 counties that are excluded from the state allocation because they receive direct funding from HUD.

Administrative Agencies Receiving PY 2005 State HOPWA Funding

Contractor	Counties Served	Households served by long-term assistance	Households served by short-term assistance
Bexar County Housing and Human Svcs.	Aransas, Bee, Bexar, Brooks, Calhoun, Comal, DeWitt, Dimmit, Duval, Edwards, Frio, Gillespie, Goliad, Gonzales, Guadalupe, Jackson, Jim Wells, Karnes, Kenedy, Kerr, Kinney, Kleberg, La Salle, Lavaca, Live Oak, Maverick, McMullen, Medina, Nueces, Real, Refugio, San Patricio, Uvalde, Val Verde, Victoria, Wilson, Zavala	69	171
Brazos Valley Council of Governments	Andrews, Bastrop, Bell, Blanco, Borden, Bosque, Burnet, Caldwell, Coryell, Crane, Dawson, Ector, Falls, Fayette, Freestone, Gaines, Glasscock, Grimes, Hamilton, Hays, Hill, Howard, Irion, Kimble, Lampasas, Lee, Leon, Limestone, Llano, Loving, Martin, McLennan, Midland, Milam, Mills, Pecos, Reeves, San Saba, Terrell, Travis, Upton, Ward, Williamson, Winkler	94	95
Dallas County HHSD	Collin, Cook, Dallas, Denton, Ellis, Fannin, Grayson, Hunt, Kaufman, Navarro, Rockwall	18	15
East Texas Admin Resource Center	Anderson	40	252
Galveston County Health District	Brazoria, Galveston, Matagorda	22	16
Houston Regional Resource Group	Angelina, Austin, Chambers, Colorado, Fort Bend, Hardin, Harris, Houston, Jasper, Jefferson, Liberty, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler, Walker, Waller	43	76
Lubbock Regional MHMR Center	Andrews, Armstrong, Bailey, Borden, Briscoe, Carson, Castro, Childress, Cochran, Collingsworth, Crane, Crosby, Dallam, Dawson, Deaf Smith, Dickens, Donley, Ector, Floyd, Gaines, Garza, Glasscock, Gray, Hale, Hall, Hansford, Hartley, Hemphill, Hockley, Howard, Hutchinson, King, Lamb, Lipscomb, Loving, Lubbock, Lynn, Martin, Midland, Moore, Motley, Ochiltree, Oldham, Parmer, Pecos, Potter, Randall, Reeves, Roberts, Sherman, Swisher, Terrell, Terry, Upton, Ward, Wheeler, Winkler, Yoakum	71	92
Planned Parenthood of El Paso	Brewster, Culberson, El Paso, Hudspeth, Jeff Davis, Presidio	66	40
South Texas Development Council (STDC)	Cameron, Duval, Hidalgo, Jim Hogg, Starr, Webb, Willacy, and Zapata	110	22
Tarrant County Health Dept.	Archer, Baylor, Brown, Callahan, Clay, Coleman, Comanche, Cottle, Eastland, Erath, Fisher, Foard, Hardeman, Haskell, Jack, Johnson, Jones, Kent, Knox, Mitchell, Montague, Nolan, Palo Pinto, Parker, Runnels, Scurry, Shackelford, Somervell, Stephens, Stonewall, Tarrant, Taylor, Throckmorton, Wichita, Wilbarger, Wise and Young	30	46
TOTAL		563	825

FAMILIES AND PERSONS ASSISTED

This section describes the households assisted with HOPWA funds.

Actual Households Served with PY 2005 Funding

During PY 2005, housing assistance was provided to 2,434 persons for short-term and tenant-based rental assistance. This count does not include persons only receiving supportive services or persons only receiving housing information services. If a person's HIV status is unknown, that person is counted under (b) in the following table.

Program Performance

HOPWA

Persons Assisted with Housing Assistance in PY 2005

a) Number of persons (adults and children) with HIV/AIDS who received housing assistance.	1,510
b) Number of other persons in family units who received housing assistance	924
c) Number of persons who received housing assistance (a. plus b.)*	2,434

* Note that this number will be that basic participation number used for reporting other program information throughout the report, including the characteristics of persons assisted.

Of the 2,434 persons assisted, 1,388 family units (not single person households) were assisted. By "family," this includes households where two or more of the members are related. The term also includes one or more eligible persons living with another person or persons who are determined to be important to their care or well being, and the surviving member or members of any family described in this definition who were living in a unit assisted under the HOPWA program with the person with AIDS at the time of his/her death [Section 574.3].

Households Receiving Supportive Services and Information

The following table reports the number of persons who received only supportive services funded by HOPWA during the PY. This does not include persons who received supportive services in conjunction with housing assistance, as they are reported above. In 2005, the HOPWA program administered by DSHS did not provide supportive services, which were made available to eligible clients with HIV/AIDS through the state's Ryan White Title II grant.

Persons Assisted with Supportive Services in PY 2005

a) number of persons (adults and children) with HIV/AIDS who received supportive services only	N/A
b) number of other persons in family units who received supportive services only	N/A
c) number of persons who received supportive services only (a. plus b.)*	N/A

The following table reports the number of persons who received housing information services funded by HOPWA during the PY. In 2005, the HOPWA program administered by DSHS did not provide Housing Information Services.

Persons Assisted with Housing Information in PY 2005

Estimated total of persons receiving services:	N/A
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Age and Gender

The following table reports on the age and gender of those who received housing assistance during the program year.

Age and Gender of Persons Assisted with Housing Assistance in PY 2005

Persons	Male	Female	Unknown	Total
17 years and under	385	284		
18 to 30 years	149	143		
31 to 50 years	747	435	3	
51 years and over	172	116		
Total	1,453	978	3	2,434

Recent Living Situation

The following table reports on the living situations of individuals participating in the program, prior to entering the program.

Prior Living Situation of Persons Assisted with Housing Assistance in PY 2005

a. Homeless from the streets	18
b. Homeless from emergency shelters	18
c. Transitional housing	19
d. Psychiatric facility*	0
e. Substance abuse treatment facility*	1
f. Hospital or other medical facility*	3
g. Jail/prison*	20
h. Domestic violence situation	8
i. Living with relatives/friends	144
j. Rental housing	818
k. Participant-owned housing	111
l. Other (please specify): Unknown – purchasing home	5
Total	1,165

** If a participant or family head(s) of household came from one of these facilities but were there less than 30 days and were living on the street or in emergency shelter before entering the treatment facility, they are counted in either the street or shelter category, as appropriate.*

Reasons for Leaving the Program

The following table reports on the reasons for those individuals who received housing assistance during the program year, but left the program are not expected to return. The table is based on how long they were in the program before leaving and the primary reason for leaving. If a participant had multiple reasons for leaving, only the primary reason is listed.

Reasons for Persons Leaving the Housing Assistance Program in PY 2005

Reason for Leaving	Number of Months in Program				
	Less than 3	3 to 6	7 to 12	12 plus	All
a. Voluntary departure	212	71	13	17	313
b. Non-payment of rent	3	7	3	3	16
c. Non-compliance with supportive service requirements	8	0	3	3	14
d. Unknown/Disappeared	5	3	0	2	10
e. Criminal Activity/destruction of Property/violence	0	0	1	0	1
f. Death	5	3	4	8	20
g. Other (please specify):	43	94	7	26	170
Received maximum benefit or received other housing assistance/lack of funding	22	57	3	0	0
Hospice/Nursing Home	0	0	0	0	0
Jail	0	0	0	0	0
Accepted Section 8	0	2	3	11	0
Total	276	178	31	59	544

Racial and Ethnic Status of Persons Assisted

The following tables list the race and ethnicity of individuals assisted with housing assistance in PY 2005.

Race of Persons Assisted with Housing Assistance in PY 2005

Race Category	Persons	Percentage
Asian/Pacific Islander	15	0.62
Black	724	29.75
Native American or Alaskan Native	9	0.37
White	1616	66.39
Multiple or other	70	2.88
Total	2,434	100

Hispanic Ethnicity of Persons Assisted with Housing Assistance in PY 2005

Ethnicity	Persons	Percentage
Hispanic	877	36.03
Non-Hispanic	1,557	63.97
Total	2,434	100

Income Status of Persons Assisted

The following table lists income categories for individuals and family units at the time of their entry into the program.

Income Status of Individuals and Families Assisted

Gross Monthly Incomes at Entry in Program (\$)	0- 250	251-500	501-1,000	1,001-1,500	1,501-2,000	2,001 +
Number of Individuals and Family Units	478	126	615	115	60	14

Gross monthly income may consist of either individual and/or family unit at time of entry into program, and may not necessarily equal the total number of individuals in program when considering households where two or more of the members are related.

FAIR HOUSING ACTIVITIES

The State of Texas last revised its *Analysis of Impediments to Fair Housing* in 2003, and is currently in the process of updating the document. In the 2003 Analysis, the following impediments were identified: lack of affordable housing, lack of available resources, lack or organizational capacity, public opposition to affordable housing, and discrimination. This section describes DSHS' efforts to affirmatively further fair housing through the HOPWA Program.

During the 2005 PY, as part of their responsibilities, HOPWA Project Sponsors displayed fair housing literature within their offices and distributed it as well as distributed it to HOPWA clients.

ACCOMPLISHMENTS IN HIGH PRIORITY AREAS

This section demonstrates how activities undertaken during the program year address identified areas of high priority and objectives.

Homeless Populations Needs Summary Table

Homeless Population	Priority Need Level
Families	
Chronic Substance Abusers	
Seriously Mentally Ill	
Persons with HIV/AIDS	H
Victims of Domestic Violence	
Youth	
Rural	
General Homeless	

The DSHS administered HOPWA program includes Emergency Assistance, which may be used to prevent homelessness of the tenant or mortgagor of a dwelling. It enables low-income individuals at risk of becoming homeless to remain in their current residences for a period not to exceed 21 weeks in any 52-week period.

Specific Accomplishments

This section describes specific HOPWA Program activities undertaken during PY 2005 that address high priority needs. Please see the “Goals and Objectives” section for detailed information about HOPWA goals and objectives, which also address these needs.

During PY 2005, housing assistance was provided to 1,510 person with HIV/AIDS and 924 persons without HIV/AIDS in family units affected by HIV/AIDS, this is a total 2,434 persons. There were 825 units of short-term assistance and 563 units of tenant-based rental assistance, for a total of 1,388 units

Persons With Disabilities

HIV/AIDS is a progressively disabling disease. While great scientific and technological advances in treatment of the disease have been made over the last few years, it is still not curable. As the disease progresses, those with HIV/AIDS may become unable to work and unable to afford safe and accessible housing. One of the purposes of the HOPWA Program is to provide stable housing for persons with HIV/AIDS, so that they may enter or remain in treatment to forestall disability and deterioration in quality of life. During PY 2005, housing assistance was provided to 1,510 persons with HIV/AIDS and another 924 persons without HIV/AIDS in family units affected by the disease.

Stigma is also an issue for persons with HIV/AIDS, and receipt of assistance from an agency that delivers HOPWA services may jeopardize the confidentiality of HOPWA clients’ HIV/AIDS status. Therefore, Project Sponsors funded by the DSHS HOPWA Program take steps to protect that confidentiality, by masking the source of housing assistance for HOPWA clients.

Additionally, DSHS contractors and their subcontractors are required to comply with the following state and federal laws and regulations regarding treatment of persons with disabilities: Section 504 of the Rehabilitation Act of 1973, 29 USC §794(a); the Americans with Disabilities Act of 1990, 42 USC §§12101, et seq.; all amendments to each and all requirements imposed by the regulations issued

Program Performance

HOPWA

pursuant to these acts, especially 45 CFR Part 80 (relating to race, color and national origin), 45 CFR Part 84 (relating to handicap), 45 CFR Part 86 (relating to sex), and 45 CFR Part 91 (relating to age); DSHS Policy AA-5018, Non-Discrimination Policies and Procedures for DSHS Programs, which prohibits discrimination on the basis of race, color, national origin, religion, sex, sexual orientation, age, or disability; any other nondiscrimination provision in specific statutes under which application for federal or state assistance is being made; and the non-discriminatory requirements of Texas Labor Code, Chapter 21, which requires that certain employers not discriminate on the basis of race, color, disability, religion, sex, national origin, or age.

BARRIERS OVERVIEW

The following comments report on any barriers that DSHS contractors encountered when providing housing assistance to this population.

- The Resource Group of Houston, administrative agency for counties outside the City of Houston's HOPWA coverage area, reported that in the rural areas there is a lack of adequate housing and jobs for semi-skilled or unskilled workers. In rural areas it is also difficult to identify and reach HIV positive persons who may need HOPWA services, for reasons believed to be related to stigma. Outreach is being conducted, and steps are taken to de-identify the source of assistance in order to maintain client confidentiality.
- The Resource of Group of Houston also reported that southeast Texas was severely affected by Hurricane Rita on September 24, 2005, suffering severe property destruction, with many clients displaced for one month or more because the area was under mandatory evacuation for several weeks. Recently, the area has shown some resurgence; however, Section 8 housing is not currently available for new applicants.
- San Angelo AIDS Foundation, which serves central/west Texas, reports that a number of applicants for HOPWA assistance are barely above the federal poverty rate and ineligible to receive HOPWA assistance, yet are clearly in need of housing assistance.
- United Way of the Greater Fort Hood Area reports institution of an application fee for Section 8 housing and a waiting list of 18 to 24 months to receive assistance. The change in Section 8 procedure has meant that HOPWA clients require rental assistance for longer periods.
- Planned Parenthood Center of El Paso, administrative agency for the El Paso area, reports that a lack of funding for rental or utility deposits makes it difficult for persons with HIV/AIDS – especially those who have been recently released from prison or are leaving homeless shelters – to find available housing. Most of these clients have no income at the time of discharge to pay for rental or utility deposits, and while some of these individuals have applied for Social Security income benefits or disability benefits, it usually requires from 60 to 90 days for clients to be notified about the approval/disapproval of their application for benefits.
- Planned Parenthood Association of Lubbock also reports concerns about clients' inability to pay rent and utility deposits and application fees. This project sponsor continues to experience a lack of communication with the local HUD office, in that the Lubbock Housing Authority programs have no system for notifying agencies of prospective HUD openings and procedures to obtain those listings.
- Valley AIDS Council, serving the Rio Grande Valley area, reports that Section 8 housing applications are backlogged for more than a year, and community-housing programs are not accepting new applications. Several HOPWA clients did not reapply for assistance because the HOPWA program requires that they apply for Section 8 housing. Additionally, new rules requiring a disconnection or

eviction notice in order to qualify for Emergency Assistance seems to be reducing use of this program, too.

The following recommendations were received from DSHS contractors:

- Provide more funding.
- Provide higher rates of funding for rural areas, owing to lack of transportation, affordable housing, and limited unskilled and semi-skilled jobs.
- Relax HOPWA rules in southeast Texas at this time because of the damage from which the area is still recovering. Mandatory Section 8 applications are not possible for HOPWA clients in this part of the state or in the Rio Grande Valley at this time.
- Increase the amount of time clients are eligible to receive short term emergency assistance, to address the needs of those clients who have been buying their home and because of illness are forced to temporarily stop working. Such clients require several weeks to get back on their feet and are forced to abandon their homes and look for other housing alternatives in order to qualify for HOPWA assistance.
- Provide one report in the AIDS Regional Information and Evaluation System (ARIES) data base from which to retrieve HOPWA client information. Additionally, it would be more effective to be able to gather all the family information from ARIES, as it is very difficult and time consuming to have to go through all the charts to obtain this information.
- Allow funding for rental and utility deposits, especially for the Emergency Rental Assistance Program, which would motivate HIV/AIDS clients to realize a healthier environment in which to live and would allow them to become independent and self-sufficient.
- Allow a transition period of 2-3 months before changes in procedures and eligibility become effective. Much of the HOPWA caseload became non-compliant almost as soon as the revised manual was released to the field. Much time is required to contact each HOPWA participant, set appointments with case managers, and develop new housing plans. Additional paper work and record keeping requirements will increase the need for already-stretched administrative resources.

Program Performance

HOPWA

OTHER ACTIONS

This section describes actions by the Office of Rural Community Affairs (ORCA), Texas Department of Housing and Community Affairs (TDHCA), and Department of State Health Services (DSHS) to address the following: Obstacles to Meeting Underserved Needs and Developing Affordable Housing, Public Housing Resident Initiatives, Lead-Based Paint Hazards, Poverty-Level Households, Compliance, and Gaps in Institutional Structure and Enhancing Coordination.

MEETING UNDERSERVED NEEDS AND DEVELOPING AFFORDABLE HOUSING

The Departments have identified various obstacles that may affect the ability to meet underserved needs in Texas. They include the lack of affordable housing, lack of organization capacity, lack of organizational outreach, local opposition to affordable housing, regulatory barriers to affordable housing, and area income characteristics (particularly in rural areas). The Departments take actions to mitigate these obstacles such as effectively using existing resources to administer programs, providing information resources to individuals and local areas, and coordinating resources. The following outlines those specific actions taken by the program areas to meet underserved needs and develop affordable housing.

CDBG

Texas CDBG encourages affordable housing projects using several methods in the allocation of CDBG funds to the eligible communities that can participate in its programs, including favorable state scoring and regional prerogative to prioritize funding for housing infrastructure and rehabilitation. Each region is encouraged to set aside a percentage of the regional allocation for housing improvement projects, and housing applications are scored as high priority projects at the state level. Housing projects continue to be funded through the Colonia Self-Help Centers as well.

In PY 2005, CDBG funded seven Housing Infrastructure Fund projects, which use CDBG funds to install infrastructure and local funds to construct affordable housing units for a new subdivision in an eligible city or county. The HIF fund was discontinued for PY 2005, however available funding from previous program years allowed for the new grants to obligate \$2,525,460 benefiting 543 persons, of which 281 are low to moderate income.

In addition, CDBG funding provides a cost savings for housing when CDBG funds are used to provide first-time water and wastewater services by installing water and sewer yardlines and paying impact and connection fees for qualifying residents. During PY 2005 CDBG funded 66 contracts through 6 different grant programs to provide water or sewer services on private property, obligating \$5,204,396 to benefit 32,303 persons, of which 24,382 or 75 percent are low to moderate income.

The most commonly cited obstacle to meeting the underserved community development needs of Texas cities (aside from inadequate funding) is the limited administrative capacity of the small rural towns and counties the CDBG program serves. Rural areas may also have difficulty finding interested contractors who have the financial stability to wait a minimum of two weeks for payment after the work is complete. Contractors can earn more working in metropolitan areas with larger projects and without the location costs required to transport materials and equipment to rural communities. Texas CDBG staff offers technical assistance to communities to promote successful CDBG projects.

Other Actions

Meeting Underserved Needs

CDBG funding also helps cities and counties study affordable housing conditions. The plans produced through a CDBG planning contracts provide both valuable data concerning a city's or county's affordable housing stock and planning tools for expanding their affordable housing. In PY 2005, CDBG funded 23 Planning/Capacity Building grants throughout the state, obligating \$847,100 to benefit 50,909 persons, of which 29,003 are low to moderate income. The Colonia Fund also awarded 10 Colonia Planning grants, obligating \$375,000 to benefit 18,384 persons, of which 9,913 are low to moderate income.

The physical size and the diversity of the State of Texas can present challenges to understanding and meeting underserved needs in local communities. The CDBG Field Offices have been established to better serve these communities by providing technical assistance and support in Alice, Nacogdoches, and Levelland, with additional offices planned throughout the state. The Colonia Self-Help Centers continue to address affordable housing needs in border counties by assisting qualifying colonia residents to finance, refinance, construct, improve or maintain a safe, suitable home in suitable areas.

Another obstacle to meeting underserved needs applies to colonias projects. There have been cases when a county applies to provide water service to an area, but more than one water supply corporation or city may have a Certificate of Convenience and Necessity (CCN) in that territory (CCNs have been issued which have overlapping territories). In these cases, a dispute over which water supply corporation/city has the right to serve the territory (and therefore collect the revenues) may arise. A public hearing process may be necessary to resolve this issue, which can then delay projects for months. Texas CDBG works with regulatory agencies as appropriate to resolve issues in project areas in a timely manner.

HOME and ESGP

The HOME Program provides grant funds, deferred forgivable loans, and repayable loans to units of local government, nonprofit and for-profit organizations, community housing development organizations (CHDOs), and public housing authorities (PHAs). These funds are primarily used to foster and maintain affordable housing by providing rental assistance, rehabilitation, or reconstruction of owner-occupied housing units, down payment and closing cost assistance for the acquisition of affordable single family housing, and funding for rental housing development preservation of existing affordable or subsidized rental housing.

HOME funds may also be used in conjunction with the Housing Tax Credit Program to construct or rehabilitate affordable multifamily housing. Of 81 Housing Tax Credit Program applications approved by the TDHCA board in July 2005, 10 developments were layered with HOME Program funding.

As a result of Hurricane Rita, which hit the Sabine Pass area of Texas on September 24, 2005, TDHCA identified hurricane victims and homes damaged by the hurricane as areas of specific need. In order to address these needs, TDHCA has requested to use unexpended CHDO Set-Aside funds from previous years, including 2005 funding, for hurricane disaster assistance, per HUD waiver dated October 4, 2005.

Regarding ESGP, while TDHCA encourages the use of ESGP funds to provide affordable transitional housing, the majority of funds are utilized to provide emergency shelter. These funds meet the needs of local homeless populations.

HOPWA

The Human Immunodeficiency Virus (HIV) disease and Acquired Immunodeficiency Syndrome (AIDS) is fast becoming a disease of the poor. The proportion of AIDS cases is higher among women, children, and minorities, who are already over-represented among the poor. The debilitating nature of HIV disease and the high cost of medical treatment affect employability, while increasing the cost of living. Loss of employment, under-employment and lack of insurance quickly drain financial resources and can lead to loss of housing. While affordable housing declines, the need for housing may actually increase as people with HIV live longer due to improved medical treatments.

Using an estimate made by the National Commission on AIDS that one-third to one-half of persons with AIDS are either homeless or at risk of homelessness, there may be from 13,975 to 20,963 people living with AIDS in Texas who are homeless or at risk of homelessness. It is unknown how many symptomatic people with HIV are at risk. Housing continues to rank high on the needs assessments of people with HIV/AIDS.

DSHS distributes approximately \$17.7 million in Ryan White and State Services grants to provide a wide array of health and social services for persons with HIV/AIDS. An additional \$81.6 Million is spent on HIV medications. Federal Ryan White funds may not be used for housing except for housing referral services and short-term or emergency housing, defined as necessary to gain or maintain access to medical care.

The Texas HOPWA program continues to fill the unmet need by providing emergency housing assistance and rental assistance. Since the primary objective of this project is the provision of assistance to continue independent living, the continuation of HOPWA funding is critical in addressing the future threat of homelessness for persons with HIV/AIDS in Texas.

Other Actions

Public Housing

PUBLIC HOUSING RESIDENT INITIATIVES

The future success of PHAs will center on ingenuity in program design, emphasis on resident participation towards economic self-sufficiency, and partnerships with other organizations to address the needs of this population. While ORCA, TDHCA, and DSHS do not have any direct or indirect jurisdiction over the management or operations of PHAs, it is important to maintain a relationship with these service providers.

CDBG

Litigation concerning CDBG funding and public housing authorities, known as *Young v. Martinez*, focused attention and funds on these areas in the past. The State provided three funding set-asides to address Court-ordered activities under the Final Order and Decree for the litigation, obligating a total of \$13,664,753.18 for 62 *Young v. Martinez* Fund projects in PHA areas. To date, over \$12 million of that total has been requested for drawdown with approximately \$538,000 remaining as an unutilized balance in completed projects and \$983,000 remaining in four open contracts.

Set-Aside 1: During the 1995 program year, the state agreed to set aside \$6.3 million for *Young*-related activities. The state funded 37 of the 41 *Young v. Martinez* Fund applications received, obligating \$6,568,200. All 37 projects have now been completed and all contracts are closed, expending \$6,396,782.31 and leaving an unutilized balance of \$171,417.69. A portion of this balance has been re-obligated to other *Young*-related projects.

Set-Aside 2: During the 2001 program year, the state agreed to set aside \$2.3 million for *Young*-related activities, as requested by HUD. The state funded 10 projects identified by TDHCA field staff, obligating \$2,428,619.70. Nine of the 10 projects have now been completed with contracts closed and \$2,076,870.19 expended, leaving an unutilized balance of almost \$351,749.51. The final contract has been terminated.

Set-Aside 3: During the 2003 program year, the state agreed to set aside \$4.6 million for *Young*-related activities, utilizing de-obligated funds from 2001 and 1998 program years, as requested by HUD. The state funded 15 projects identified by HUD staff, obligating \$4,667,933.48. Eleven of the 15 projects have now been completed and contracts have been closed, with \$3,669,313.55 drawn.

Although the litigation has been settled, Texas CDBG continues to serve public housing areas through other funding categories as residents of PHAs qualify as low to moderate income beneficiaries for CDBG projects.

HOME and ESGP

Because PHAs are eligible applicants under the HOME Program, TDHCA sends notices of funding availability to all PHAs in the state. At HOME application workshops, application processes are discussed in detail, including those related to HBA/ADDI. Furthermore, PHA staff, especially including those receiving HOME funds and those with Section 8 Homeownership programs, are targeted by TDHCA's Texas Statewide Homebuyer Education Program for training to provide homebuyer education opportunities and self-sufficiency tools for PHA residents.

In addition to PHAs that have received HOME funds to provide homebuyer assistance in their areas, PHAs have also received HOME tenant-based rental assistance funds, enabling them to provide additional households with rental assistance and services to increase self-sufficiency.

In PY 2005, nine PHAs attended HOME application workshops and \$2,540,581 in PY 2005 HOME funds were allocated to PHAs.

PHA residents are eligible to receive assistance and services from ESGP grantees.

In addition to HOME and ESGP activities related to PHAs, TDHCA performs certifications of consistency. In 1999, TDHCA, as required by 24 CFR §903.15, started a certification process to ensure that the annual plans submitted by PHAs in an area without a local *Consolidated Plan* are consistent with the State of Texas's *Consolidated Plan*. For the PY 2005 reporting period, February 1, 2005, through January 31, 2006, TDHCA processed 166 certifications of consistency in a fair and impartial manner.

HOPWA

In 2005, the HOPWA program administered by DSHS did not provide public housing assistance.

Other Actions

Lead-Based Paint

LEAD-BASED PAINT HAZARDS

The health risks posed by lead-based paint to young children are the most significant health issue facing the housing industry today. According to the EPA's Report on the National Survey of Lead Based Paint in Housing (April 1995), 64 million homes have conditions that are likely to expose families to unsafe levels of lead. These homes are disproportionately older housing stock typical to low income neighborhoods, and the potential for exposure increases as homeowners and landlords defer maintenance. This older housing stock is the target of rehabilitation efforts and is often the desired "starter home" of a family buying their first home.

The 1992 Housing and Community Development Act included Title X, a statute that represents a major change to existing lead-based paint regulations. However, HUD's final regulations for Title X (24 CFR Part 105) were not published until September 15, 1999 and became effective September 15, 2000. Title X calls for a three pronged approach to target conditions that pose a hazard to households: 1) Notification of occupants about the existence of hazards so they can take proper precautions, 2) Identifications of lead-based paint hazards before a child can be poisoned and, 3) control of these lead-based paint hazards in order to limit exposure to residents. Title X mandated that HUD issue "The Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (1995) to outline risk assessments, interim controls, and abatement of lead-based paint hazards in housing. Section 1018 required EPA and HUD to promulgate rules for disclosure of any known lead-based paint or hazards in target housing offered for sale or lease. These rules came into effect on March 6, 1996 in 40 CFR Part 745/24 CFR Part 35.²

CDBG

In accordance with CDBG state regulations and the Lead-Based Paint Poisoning Prevention Act, CDBG has adopted a policy to eliminate as far as practicable the hazards of lead poisoning due to the presence of lead-based paint in any existing housing assisted under the CDBG. In addition, this policy prohibits the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance. Abatement procedures should be included in the housing rehabilitation contract guidelines for each project and must appear in the approved work write-up documentation for all homes built prior to 1978 that will be rehabilitated, as outlined in the Housing Rehabilitation Manual.

HOME and ESGP

The HOME Program requires lead screening in housing built before 1978 for its Owner Occupied Rehabilitation Assistance Program. Rehabilitation activities fall into three categories: 1) Requirements for federal assistance up to and including \$5,000 per unit; 2) Requirements for federal assistance from \$5,000 per unit up to and including \$25,000 per unit; and 3) Requirements for federal assistance over \$25,000 per unit.

Requirements for federal assistance up to and including \$5,000 per unit are: distribution of the pamphlet "Protect Your Family from Lead in Your Home" is required prior to renovation activities; notification within 15 days of lead hazard evaluation, reduction, and clearance must be provided; receipts for notification must be maintained in the administrator file; paint testing must be conducted to identify lead based paint on painted surfaces that will be disturbed or replaced or administrators may assume that lead based paint exist; administrators must repair all painted surfaces that will be disturbed during rehabilitation; if

² Texas Department of Health.

lead based paint is assumed or detected, safe work practices must be followed; and clearance is required only for the work area.

Requirements for federal assistance from \$5,000 per unit up to and including \$25,000 per unit include all the requirements for federal assistance up to and including \$5,000 per unit and the following: a risk assessment must be conducted prior to rehabilitation to identify hazards in assisted units, in common areas that serve those units and exterior surfaces or administrators can assume lead based paint exist and; clearance is required for the completed unit, common areas which serve the units, and exterior surfaces where the hazard reduction took place.

Requirements for federal assistance over \$25,000 per unit included all the requirements for federal assistance from \$5,000 per unit up to and including \$25,000 per unit and the following: if during the required evaluations lead-based paint hazards are detected on interior surfaces of assisted units, on the common areas that serve those units or on exterior surfaces including soils, then abatement must be completed to permanently remove those hazards; and if lead based paint is detected during the risk assessment on exterior surfaces that are not disturbed by rehabilitation then interim controls may be completed instead of abatement.

For ESGP, TDHCA evaluates and reduces lead-based paint hazards for conversion, renovation, or rehabilitation projects funded with ESGP funds, and tracks work in these efforts as required by Chapter 58 of the Environmental Protection Act.

HOPWA

HUD requires providers to give all HOPWA clients the lead-based paint pamphlet entitled *Protect Your Family from Lead in Your Home*. The client's case record must include documentation that a copy of the pamphlet was given to the client. The pamphlet was developed by the Environmental Protection Agency in response to concern about lead-based paint hazards in the home.

For each HOPWA household, the case manager must certify the following:

If the structure was built prior to 1978, and there is a child under the age of six who will reside in the property, and the property has a defective paint surface inside or outside the structure, the property cannot be approved until the defective surface is repaired by at least scraping and painting the surface with two coats of non-lead based paint. Defective paint surface means: applicable surface on which paint is cracking, scaling, chipping, peeling or loose. If a child under age six residing in the HOPWA-assisted property has an Elevated Blood Level, paint surfaces must be tested for lead-based paint. If lead is found present, the surface must be abated in accordance with 24 CFR Part 35.

Other Actions

Poverty

POVERTY-LEVEL HOUSEHOLDS

According to the 2000 US Census, Texas has the ninth highest poverty rate among the states: 15.4 percent compared to the national rate of 12.4 percent. The federal government defined the poverty threshold for 1999 as \$17,029 in income for a family of four, and many poor families make substantially less than this. Poverty can be self-perpetuating, creating barriers to education, employment, health, and financial stability.

ORCA, TDHCA, and DSHS have an important role in addressing Texas poverty. These agencies seek to reduce the number of Texans living in poverty, thereby providing a better future for all Texans. This means trying to provide long-term solutions to the problems facing people in poverty and targeting resources to those with the greatest need.

CDBG

A substantial majority of Texas CDBG funds are obligated to cities and counties under the funding competitions meeting the national objective to “principally benefit low and moderate income persons.” Texas CDBG encourages the funding of communities with a high percentage of persons in poverty through its application scoring. The CDBG projects under this national objective are required to serve 51 percent low to moderate income persons; however, an application receives full points only if a minimum of 60 percent of the project beneficiaries are of low to moderate income. In addition, the CDBG allocation formula used to distribute Community Development funds among regions includes a variable for poverty in its community distress scoring. The percentage of persons in poverty for each region is factored into the allocation formula in order to target funding toward the greatest need.

In PY 2005, CDBG awarded 348 contracts under fund categories requiring communities to serve at least 51 percent low to moderate income persons. The \$88,870,959 in funds obligated from the 2005 allocation, prior year allocations, prior year deobligated funds, and program income benefits 501,965 persons, of which 312,474 persons are of low to moderate income. The almost \$9 remaining from the 2005 allocation that was not obligated during PY 2005 will also principally benefit low to moderate income persons.

The CDBG economic development funds can be instrumental in creating infrastructure and jobs. By creating and retaining jobs through assistance to businesses and then providing lower income people access to these jobs, CDBG can be a very effective anti-poverty tool. This potential can be further maximized by providing jobs that offer workplace training and education, fringe benefits, opportunities for promotion, and services such as child care. In addition, programs that improve infrastructure affords the opportunity to upgrade existing substandard housing (such as in the colonias) and build new affordable housing where none could exist before.

HOME and ESGP

Through the HOME Tenant-Based Rental Assistance Program, TDHCA assists households with rental subsidy and security and utility deposit assistance for a period not to exceed two years. As a condition to receiving rental assistance, households must participate in a self-sufficiency program, which can include job training, GED classes, or drug dependency classes. The HOME Program enables households to receive rental assistance while participating in programs that will enable them to improve employment

options and increase their economic independence and self-sufficiency. In PY 2005, the HOME Program committed \$2,356,478 for Tenant-Based Rental Assistance activities.

The ESGP Program funds activities that provide shelter and essential services for homeless persons, as well as intervention services for persons threatened with homelessness. Essential services for homeless persons include medical and psychological counseling, employment counseling, substance abuse treatment, transportation, and other services. In PY 2005, ESGP committed \$1,225,108 for essential services for homeless persons. These services are intended to help homeless individuals and those with poverty-level incomes improve their conditions and achieve self-sufficiency.

For individuals threatened with homelessness, homelessness prevention funds can be used for short-term subsidies to defray rent and utility arrearages for households receiving late notices, security deposits, and payments to prevent foreclosure. In PY 2005, ESGP committed \$887,817 for homelessness prevention activities. These services are intended to assist very low income households and those with poverty-level incomes avoid becoming homeless.

HOPWA

The HOPWA Program funds emergency assistance activities and rental assistance. Emergency assistance funds provide short-term rent, mortgage, and utility payments to prevent homelessness, while the rental assistance program provides tenant-based rental assistance until there is no longer a need. These activities help households pay for living expenses when their incomes may be too low to avoid homelessness. In PY 2005, HOPWA committed \$2,408,762 for these activities.

Other Actions

Compliance

COMPLIANCE

ORCA, TDHCA, and DSHS ensure compliance with program and comprehensive planning requirements through various compliance measures.

CDBG

The monitoring function of ORCA has four components: project implementation, contract management, audit, and monitoring compliance.

Project Implementation

Prior to the award of funds, each community is evaluated for compliance in prior contracts. The application scoring process at the state level includes a scoring factor for past performance on CDBG contracts. In addition, once a funding recommendation has been made the contract is routed through the Program Development, Operations, Legal, and Fiscal Operations Departments to verify that no outstanding issues in previously awarded contracts prevent the contract execution for the recommended award.

Contract Management

All open CDBG projects are assigned to a specific Regional Coordinator who is responsible for contract compliance and project management. All projects have formal contracts that include all federal and state requirements. Regional Coordinators monitor progress and compliance through formal reporting procedures. Program Specialists for Labor Standards and Environmental compliance also exist under the Project Management function. Additionally, all reimbursement requests require complete supporting documentation before payment is made.

Audit

The audit function is authorized by OMB A-133, which requires that governmental units and nonprofit organizations spending more than \$500,000 in either federal or state funds during their fiscal years ending after December 31, 2003, submit a copy of a Single Audit to the Agency. A Single Audit is required for desk review by ORCA regardless of whether there are findings noted in the audit pertaining to CDBG funds, since it is an additional monitoring tool used to evaluate the fiscal performance of grantees.

Monitoring Compliance

The on-site programmatic reviews are conducted on every CDBG contract prior to close-out to ensure the contractual obligations of each grant are met. The projects are considered available for review when 75 percent of the contracted funds have been drawn down, and for construction projects, when construction has been substantially completed. Interim monitoring reviews may be conducted as necessary.

The areas reviewed include procurement procedures paid with CDBG funds or with match dollars, accounting records including copies of cancelled checks, bank statements and general ledgers (source documentation is reviewed at the time of draw requests), equipment purchases and/or procurement for small purchases, on-site review of environmental records, review of any applicable construction contracts, file review of any applicable client files for rehabilitation services, review of labor standards and/or a review of local files if internal staff used for construction projects, and a review of documentation on hand pertaining to fair housing and civil rights policies.

In addition to the formal monitoring function described above, the staff of the Compliance Division communicates with the staff of the Community Development Division as needed to evaluate issues throughout the contract implementation phase of CDBG contracts in order to identify and possibly resolve contract issues prior to the monitoring phase of the project.

HOME and ESGP

TDHCA has established oversight and monitoring procedures within the TDHCA Portfolio Management and Compliance and Community Affairs divisions to ensure that activities are completed and funds are expended in accordance with contract provisions and applicable state and federal rules, regulations, policies, and related statutes. TDHCA's monitoring efforts are guided by both its responsibilities under the HOME and ESG programs and its affordable housing goals for the State of Texas. These monitoring efforts include the following:

- Identifying and tracking program and project results
- Identifying technical assistance needs of subrecipients
- Ensuring timely expenditure of funds
- Documenting compliance with program rules
- Preventing fraud and abuse
- Identifying innovative tools and techniques that support affordable housing goals
- Ensuring quality workmanship in funded projects
- Long-term compliance

Identifying and Tracking Program and Project Results

HOME contract and project activities are tracked through the TDHCA Contract Database (CDB) system, including pending projects, funds drawn, and funds disbursed through the internet-based system, HUD's IDIS, and other reports generated as needed. The CDB provides information necessary to track the success of the program and identify process improvements and administrator training needs. IDIS tracks HOME Program data such as commitment and disbursement activities, the number of units developed, the number of families assisted, the ongoing expenditures of HOME funds, and beneficiary information.

Other resources utilized by TDHCA to track project results include an asset management division and loan servicing division. If either of these areas identifies problems, steps are taken to resolve the issue, including project workouts and oversight of reserve accounts. Real Estate Analysis, the division for underwriting economic feasibility pre-award, is also responsible for identification of high risk contracts, and is responsible for review of housing sponsored annual financial statements and other asset management functions during the affordability period.

ESGP project and contract activities are tracked through TDHCA's internet website, which maintains an Oracle-based reports system. This system maintains funds drawn, funds expended, performance data, and other reports as needed. ESGP data such as commitment and disbursement activities, number of persons assisted, ongoing expenditures, and program activities are also tracked through HUD's IDIS.

Identifying Technical Assistance Needs Subrecipients

Identification of technical assistance needs for HOME and ESGP subrecipients is performed through analysis of administrator management practices, analysis of sources used by TDHCA to track technical assistance such as information captured in the Central Database, review of documentation submitted,

Other Actions

Compliance

desk reviews based on the requirements identified in the Compliance Supplement and State Affordable Housing Program requirements, project completion progress, results of on-site audits and monitoring visits, and desk reviews conducted by Department staff.

Ensuring Timely Expenditure of Funds

TDHCA ensures adequate progress is made toward committing and expending HOME and ESG funds. Regular review of internal reports and data from IDIS is performed to assess progress of fund commitment and to ensure that all funds are committed by the expiration date of 24 months from the last day of the month in which HUD and TDHCA enter into an Agreement. Performance deadlines for spending and matching funds are reviewed on a quarterly basis to track expenditure totals. HOME set-aside requirements are also tracked.

Documenting Compliance with Program Rules

Compliance with program rules is documented through contract administration and other formal monitoring processes. Staff document compliance issues as part of their ongoing contract management reviews and notify administrators of any noncompliance and required corrective action. On-site reviews, including physical onsite project site inspections of a representative sample of project sites, on-site reviews of client files, shelters, and the delivery of services are conducted with summarized reports identifying necessary corrective actions.

TDHCA has developed a set of standards for HOME administrators to follow to ensure that subcontractors and lower-tiered organizations entering into contractual agreements with administrators perform activities in accordance with contract provisions and applicable state and federal rules, regulations, policies, and related statutes.

TDHCA maintains a database to document an administrator's compliance history with rental housing developments. During the application process the compliance history is gathered, the database is researched, and input from all divisions within TDHCA is requested. If issues of material noncompliance are found, then the applicant is not eligible for future funding until the issues are resolved. The compliance history is considered by TDHCA's Board prior to finalizing awards.

Preventing Fraud and Abuse

TDHCA monitors for potential fraud and mismanagement of funds through the assistance of written agreements with HOME administrators and review of supporting documentation throughout the HOME contract period to ensure that activities are eligible, through information gathered from outside sources and Department staff, and through onsite monitoring visits of HOME and ESGP subrecipients. If fraud or mismanagement of funds is found, sanctions are enforced and disallowed costs are refunded to TDHCA. Also, if fraud or mismanagement of funds is suspected, TDHCA will make referrals and work closely with HUD, the State Auditor's Office, the Inspector General, the Internal Revenue Service, and local law enforcement agencies as applicable.

Identifying Innovative Tools and Techniques that Support Affordable Housing Goals

Staff identifies innovative tools and techniques to support affordable housing goals by attending trainings and conferences, maintaining contact with other state affordable housing agencies, and through the HUD internet listserv and HUD website.

Ensuring Quality in Funded Projects

Ensuring the administrator provides the committed product, amenities and compliance with accessibility requirements is a Departmental priority. Staff ensures the quality of workmanship in HOME-funded projects through the inspection process. TDHCA staff, in conjunction with Manufactured Housing Inspectors conduct inspections to substantiate the quality of the work performed. Deficiencies and concerns are identified during an initial inspection, with corrective action required by construction completion. The clearance of a final inspection is required of all rental housing developments funded by the Department.

TDHCA staff has attended trainings and become familiar with the construction standards of Section 504, Rehabilitation Act of 1973. Manufactured Housing Inspection Staff assisting with conducting inspection staff have been given the necessary tools to thoroughly complete these inspections and are provided annual training by Department staff on the procedures, expectations and accessibility requirements.

Other processes used to ensure quality workmanship have included plan reviews. With the 2006 commitments the Department will require plans to have architectural sign off on specifications, and confirm compliance with committed amenities and compliance with any accessibility requirements.

Long-Term Compliance

The PMC is responsible for long term monitoring of income eligibility and tenure of affordability for applicable HOME projects. In other cases where contracts require long-term oversight (such as land use restrictive covenants), reporting and enforcement procedures have been implemented.

The PMC division performs on-site monitoring visits in accordance with the requirements of the HOME Program and Department policies and procedures, as described in the Financing/Loan Agreements, Deed Restrictions, and Regulatory and Land Use Restriction Agreement. If a property participates in more than one housing program, the most restrictive monitoring procedure is followed.

Risk Management

HOME contracts are monitored based on a risk assessment model that is updated on an annual basis or more frequently if required. Some of the elements of the Risk Assessment Model may include the type of activity, existence of a construction component, Davis/Bacon requirements, results of previous on-site visits, status of the most recent monitoring report, amount funded, previous administrator experience, entity type, and Single Audit status. In addition to the results of the risk assessment survey, referrals from division staff are considered when determining in depth monitoring reviews or required technical assistance. An emphasis is placed on monitoring of contracts within the current draw period and contracts with projects in the affordability period as defined by HUD.

If complaints are received by TDHCA, they are considered a risk management element and will be reviewed in detail. Supplemental monitoring activities will be performed to ensure program compliance and detection of possible fraud or mismanagement.

The Risk Assessment Model is also implemented for ESGP. Some of the elements of the Risk Assessment Model include the following: length of time since last on-site visit, results of last on-site visit, status of most recent monitoring report, timeliness of grant reporting, total amount funded during assessment period, total amount funded for all TDHCA contracts during assessment period, number of TDHCA

Other Actions

Compliance

contracts funded during assessment period, and Single Audit Status. In addition to the results of the risk assessment survey consideration is also given to recommendations made from other TDHCA divisions regarding performance with other TDHCA funded programs. All ESGP subrecipients are monitored annually.

Sanctions

Based on the results of ongoing HOME monitoring, sanctions are imposed for noncompliance issues based on the severity of noncompliance, which may include delays in project set-ups, draw request processing, questioned/disallowed costs, suspension of the contract, or contract termination. When necessary, the Executive Director executes a referral to the State Auditor's Office for investigation of fraud as required by Section 321.022(a) of the Texas Government Code. Sanctions imposed affect future application requests and scoring. In addition, if fraud or mismanagement of funds is suspected, TDHCA will make referrals and work closely with HUD, the State Auditor's Office, the Inspector General, the Internal Revenue Service, and local law enforcement agencies as applicable.

The results of ongoing ESGP monitoring will also determine if sanctions are imposed for noncompliance issues. Sanctions range from the use of the cost reimbursement method of payment, deobligation of funds, suspension of funds, and termination of the contract. TDHCA's legal staff is notified and referrals are made to the Attorney General's Office. Sanctions imposed affect the future consideration of ESG applications for funding.

HOPWA

All 25 of the state's HIV Service Delivery Areas (HSDAs) receive HOPWA funding through a contract with the Administrative Agency serving the HSDA. Each Administrative Agency either directly administers the HOPWA funds or contracts with another provider for delivery of these services. Administrative agencies are selected based on a competitive RFP process.

Each Administrative Agency is required to submit objectives and a plan of action for expenditure of its allocation. Award of their funding allocation is contingent upon the submission of a DSHS accepted plan of action. DSHS reserves 3 percent of total award for administrative and indirect cost combined. Project sponsors are allowed to use up to seven percent of their allocation for personnel or other administrative costs.

A team of 14 Field Operations consultants and managers are assigned to monitor the contract activities of the Administrative Agencies and their contractors. This monitoring involves periodic site visits, technical assistance visits, and the submission of monthly billing reports and semi-annual detailed data reports.

INSTITUTIONAL STRUCTURE

Understanding that no single entity will be able to address the enormous needs of the State of Texas, ORCA, TDHCA, and DSHS support the formation of partnerships in the provision of housing, housing-related, and community development endeavors. Especially considering that the limited amount of financial resources available for affordable housing, community service, and community development activities can be a major obstacle for a single agency to try to address the needs of the state, partnering with other organizations, as well as fund layering and leveraging, helps to stretch those funds that are available.

ORCA, TDHCA, and HOPWA are primarily pass-through funding agencies and distribute federal funds to local entities that in turn provide assistance to households. Because of this, the agencies work with many housing and community development partners, including consumer groups, community based organizations, neighborhood associations, community development corporations, councils of governments, community housing development organizations, community action agencies, real estate developers, social service providers, local lenders, investor-owned electric utilities, local government, nonprofits, faith-based organizations, property managers, state and local elected officials, and other state and federal agencies.

There are many benefits to these partnerships: risk and commitment are shared; the principle of reciprocity requires that local communities demonstrate an awareness of their needs and a willingness to participate actively in solving problems, therefore local communities play an active role in tailoring the project to their needs; partners are able to concentrate specifically on their area of expertise; and a greater variety of resources insure a well targeted more affordable product.

CDBG

CDBG funds are awarded to non-entitlement units of general local government thereby providing these communities with financial resources to respond to its community development needs. Such may include planning; constructing community facilities, infrastructure, and housing; and implementing economic development initiatives. Each applicant to the CDBG fund is required throughout its citizen participation process to inform local housing organizations of its intention to apply for CDBG funding through the CDBG and invite their input into the project selection process.

Texas CDBG continues to coordinate with the Texas Department of Housing and Community Affairs, the Texas Department of Agriculture, the Texas Water Development Board, Annual State Agency Meeting on Rural Issues, and the 24 Regional Councils of Governments to further its mission and target beneficiaries of CDBG funds through programs such as the Colonia Self-Help Centers, the Colonia Economically Distressed Areas Program, the Housing Tax Credit Program, and the Texas Capital Fund.

HOME and ESGP

The HOME Program encourages partnerships in order to improve the provision of affordable housing. TDHCA currently directly allocates \$500,000 in HOME funds to the Home of Your Own Coalition, which assists persons with disabilities purchase a home by providing education and financial assistance. Organizations receiving HBA/ADDI funds are required to provide homebuyer education classes to households directly, or coordinate with a local organization that will provide the education. In addition,

Other Actions

Institutional Structure

organizations receiving TBRA funds must provide self-sufficiency services directly, or coordinate with a local organization that will provide the services.

TDHCA encourages ESGP subrecipients to coordinate services with housing and other service agencies. Collaborative applications funded with ESGP funds are required to coordinate services and to provide services as part of a local continuum of care. At the time the Department monitors ESGP subrecipients, coordination efforts are reviewed.

HOPWA

DSHS administers HOPWA funds through 10 competitively selected administrative agencies across the state of Texas. Funds are allocated to 25 HIV Service Delivery Areas (HSDAs) based on a formula that takes into account the number of persons living with HIV/AIDS and the poverty level within each HSDA. The 10 administrative agencies, in turn, either administer HOPWA funds directly or competitively select community based organizations or public agencies to serve as project sponsors. Project sponsors are typically organizations with knowledge of and experience in providing services to persons with HIV/AIDS and their family members affected by the disease. These agencies bring their institutional knowledge and a range of funding sources to the task of providing stable and affordable housing to eligible persons with HIV/AIDS.

GOALS AND OBJECTIVES

This section describes those goals and objectives that pertain to the CDBG, ESGP, HOME, and HOPWA programs. This section fulfills those requirements found in 24 CFR 91.520(b) and 24 CFR 91.520(g).

CDBG

The following includes the reported outputs of key and non-key measures for CDBG goals as found in the ORCA Strategic Plan 2003-2007 and reported to the Legislative Budget Board for Fiscal Year 2005.

Goal 1: Support Community and Economic Development projects
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Number of new community and economic development contracts awarded.

2005 Target:	316
2005 Actual:	344

Number of projected beneficiaries from new contracts awarded.

2005 Target:	375,000
2005 Actual:	602,522

Number of programmatic monitoring visits conducted.

2005 Target:	300
2005 Actual:	300

Number of jobs created/retained through contracts awarded.

2005 Target:	1,470
2005 Actual:	1,102

Number of Single Audit reviews conducted.

2005 Target:	50
2005 Actual:	189

Goal 2: Provide Outreach and Technical Assistance to Communities

Number of on-site technical assistance visits conducted annually.

2005 Target:	563
2005 Actual:	811

Goals and Objectives

ESGP and HOME

ESGP and HOME

The Strategic Plan goals reflect program performance based upon measures developed with the State's Legislative Budget Board and Governor's Office of Budget and Planning. The goals are also based upon Riders attached to the Department's Appropriations. The Department believes that the goals and objectives for the various TDHCA programs should be consistent with its mandated performance requirements. Note: 2005 Measures marked with an "*" were added to the 2006 Performance Measures by the 79th Legislature.

GOAL 1: TDHCA WILL INCREASE AND PRESERVE THE AVAILABILITY OF SAFE, DECENT, AND AFFORDABLE HOUSING FOR VERY LOW, LOW, AND MODERATE INCOME PERSONS AND FAMILIES

1.1 Strategy: Provide mortgage financing and homebuyer assistance through the Single Family Mortgage Revenue Bond Program.

Strategy Measure: Number of single family households assisted through the First Time Homebuyer Program.

2005 Measure	2005 Actual	% of Goal	2006 Measure
1,770	1,898	107.23%	1,727

***1.2 Strategy:** Provide funding through the HOME Program for affordable single family housing.

Strategy Measure: Number of single family households assisted with HOME funds.

2005 Measure	2005 Actual	% of Goal	2006 Measure
N/A	1,308	N/A	1,834

***1.3 Strategy:** Provide funding through the HTF program for affordable single family housing.

Strategy Measure: Number of single family households assisted through the Housing Trust Fund.

2005 Measure	2005 Actual	% of Goal	2006 Measure
N/A	128	N/A	100

1.4 Strategy: Provide tenant-based rental assistance through Section 8 certificates.

Strategy Measure: Number of multifamily households assisted with tenant-based rental assistance.

2005 Measure	2005 Actual	% of Goal	2006 Measure
2,200	1,750	79.55%	2,100

Explanation of Variance: Due to the transfer of vouchers to Brazoria County, the targeted performance was not met.

1.5 Strategy: Provide federal tax credits to develop rental housing.

Strategy Measure: Number of multifamily households assisted with HTCs.

2005 Measure	2005 Actual	% of Goal	2006 Measure
10,763	18,350	170.49%	18,832

***1.6 Strategy:** Provide funding through the HOME Program for affordable multifamily housing.

Strategy Measure: Number of multifamily households assisted with HOME funds.

2005 Measure	2005 Actual	% of Goal	2006 Measure
N/A	945	N/A	741

- *1.7 Strategy:** Provide funding through the Housing Trust Fund for affordable multifamily housing.
Strategy Measure: Number of multifamily households assisted through the Housing Trust Fund.

2005 Measure	2005 Actual	% of Goal	2006 Measure
N/A	1,021	N/A	255

- 1.8 Strategy:** Provide funding through the Multifamily Mortgage Revenue Bond program for affordable multifamily housing.

Strategy Measure: Number of households assisted through the Mortgage Revenue Bond program.

2005 Measure	2005 Actual	% of Goal	2006 Measure
1,999	3,288	164.48%	3,500

GOAL 2: TDHCA WILL PROMOTE IMPROVED HOUSING CONDITIONS FOR EXTREMELY LOW, VERY LOW, AND LOW INCOME HOUSEHOLDS BY PROVIDING INFORMATION AND TECHNICAL ASSISTANCE.

- *2.1 Strategy:** Provide information and technical assistance to the public through the Division of Policy and Public Affairs.

Strategy Measure: Number of information and technical assistance requests completed.

2005 Measure	2005 Actual	% of Goal	2006 Measure
N/A	3,082	N/A	5,400

- 2.2 Strategy:** To provide technical assistance to colonias through field offices.

(A) Strategy Measure: Number of on-site technical assistance visits conducted annually from the field offices.

2005 Measure	2005 Actual	% of Goal	2006 Measure
747	1,038	138.96%	600

***(B) Strategy Measure:** Number of colonia residents receiving assistance.

2005 Measure	2005 Actual	% of Goal	2006 Measure
N/A	550	N/A	1,700

***(C) Strategy Measure:** Number of entities and/or individuals receiving informational resources.

2005 Measure	2005 Actual	% of Goal	2006 Measure
N/A	2,304	N/A	1,200

GOAL 3: TDHCA WILL IMPROVE LIVING CONDITIONS FOR THE POOR AND HOMELESS AND REDUCE THE COST OF HOME ENERGY FOR VERY LOW INCOME TEXANS.

- 3.1 Strategy:** Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low income persons throughout the state.

(A) Strategy Measure: Number of persons assisted through homeless and poverty related funds.

2005 Measure	2005 Actual	% of Goal	2006 Measure
440,000	404,801	92.00%	400,000

Goals and Objectives

ESGP and HOME

Explanation of Variance: This measure is impacted by the number of persons assisted through the Community Services Block Grant (CSBG) and Emergency Shelter Grants Program (ESGP). The FY'04 ESGP program, which began in September 2004, has five fewer subrecipients as compared to the '03 program. The absence in 2004 of these five subrecipients, along with the organizations they subcontracted with, accounted for approximately 40,000 fewer persons being served annually.

(B) Strategy Measure: Number of persons assisted that achieve incomes above poverty level.

2005 Measure	2005 Actual	% of Goal	2006 Measure
1,314	1,929	146.80%	2,000

(C) Strategy Measure: Number of shelters assisted through the Emergency Shelter Grant Program.

2005 Measure	2005 Actual	% of Goal	2006 Measure
70	72	102.86%	70

3.2 Strategy: Administer the state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low income persons and for assistance to very low income households for heating and cooling expenses and energy related emergencies.

(A) Strategy Measure: Number of households assisted through the Comprehensive Energy Assistance Program.

2005 Measure	2005 Actual	% of Goal	2006 Measure
69,736	84,018	120.48%	63,200

(B) Strategy Measure: Number of dwelling units weatherized through the Weatherization Assistance Program.

2005 Measure	2005 Actual	% of Goal	2006 Measure
3,734	5,416	145.05%	4,800

GOAL 4: TDHCA WILL ENSURE COMPLIANCE WITH THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS' FEDERAL AND STATE PROGRAM MANDATES.

4.1 Strategy: The Portfolio Management and Compliance Division will monitor and inspect for Federal and State housing program requirements.

***(A) Strategy Measure:** Total number of monitoring reviews conducted.

2005 Measure	2005 Actual	% of Goal	2006 Measure
N/A	4,318	N/A	4,700

(B) Strategy Measure: Total number of units administered.

2005 Measure	2005 Actual	% of Goal	2006 Measure
188,956	201,114	106.43%	227,195

4.2 Strategy: The Portfolio Management and Compliance Division will administer and monitor federal and state subrecipient contracts for programmatic and fiscal requirements.

***(A) Strategy Measure:** Total number of monitoring reviews conducted.

2005 Measure	2005 Actual	% of Goal	2006 Measure
N/A	12,113	N/A	10,725

(B) Strategy Measure: Number of contracts administered.

2005 Measure	2005 Actual	% of Goal	2006 Measure
624	751	120.35%	400

GOAL 5: TO PROTECT THE PUBLIC BY REGULATING THE MANUFACTURED HOUSING INDUSTRY IN ACCORDANCE WITH STATE AND FEDERAL LAWS.

5.1 Strategy: Provide titling and licensing services in a timely and efficient manner.

(A) Strategy Measure: Number of manufactured housing statements of ownership and location issued.

2005 Measure	2005 Actual	% of Goal	2006 Measure
115,000	93,499	81.30%	89,000

Explanation of Variance: Performance is under the targeted projection due to receiving fewer applications resulting from a continued slowdown of activity in the manufactured housing industry.

(B) Strategy Measure: Number of licenses issued.

2005 Measure	2005 Actual	% of Goal	2006 Measure
5,700	4,118	72.25%	4,435

Explanation of Variance: Performance is under the targeted projection due to receiving fewer applications resulting from a continued slowdown of activity in the industry.

5.2 Strategy: Conduct inspections of manufactured homes in a timely manner.

(A) Strategy Measure: Number of routine installation inspections conducted.

2005 Measure	2005 Actual	% of Goal	2006 Measure
13,500	5,488	40.65%	8,000

Explanation of Variance: Although the measure is below the targeted number, the Department is meeting the program's statutory requirement to inspect at least 25 percent of installation reports received. The actual YTD inspection rate is 37.78 percent. In FY 2005, the overall workload of the inspection staff was increased by additional inspection duties associated with providing assistance to the Department's Portfolio Management and Compliance Division.

***(B) Strategy Measure:** Number of non-routine installation inspections conducted.

2005 Measure	2005 Actual	% of Goal	2006 Measure
N/A	2,405	N/A	2,500

5.3 Strategy: To process consumer complaints, conduct investigations, and take administrative actions to protect the general public and consumers.

Strategy Measure: Number of complaints resolved.

2005 Measure	2005 Actual	% of Goal	2006 Measure
1,620	1,502	92.72%	1,700

Explanation of Variance: The Department has made an effort to encourage the informal resolution of customer concerns prior to their issues becoming official complaints. The effort has helped reduce the number of complaints officially received, which reduces the number of complaints resolved.

Goals and Objectives

ESGP and HOME

Goals Six through Eight are established in legislation as riders to TDHCA's appropriations, as found in the General Appropriations Act.

GOAL 6: TDHCA WILL TARGET ITS HOUSING FINANCE PROGRAMS RESOURCES FOR ASSISTANCE TO EXTREMELY LOW INCOME HOUSEHOLDS.

6.1 Strategy: The housing finance divisions shall adopt an annual goal to apply \$30,000,000 of the division's total housing funds toward housing assistance for individuals and families earning less than 30 percent of median family income.

Strategy Measure: Amount of housing finance division funds applied towards housing assistance for individuals and families earning less than 30 percent of median family income.

2005 Measure	2005 Actual	% of Goal	2006 Measure
\$30,000,000	\$27,075,921	90.25%	\$30,000,000

Explanation of Variance: Fewer ELI households were served by single family bond transactions, Section 8 vouchers, and HOME awards in FY 2005 as compared to FY 2004. The primary cause appears to be a decrease in the projected amount of HOME funding that will serve ELI households as the amount awarded for this income group dropped from \$36 million in FY 2004 to \$12 million in FY 2005. This decrease is related to the release of two program years' worth of HOME funds in FY 2004.

(See Rider 4 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 79th Legislature, Regular Session.)

GOAL 7: TDHCA WILL TARGET ITS HOUSING FINANCE RESOURCES FOR ASSISTANCE TO VERY LOW INCOME HOUSEHOLDS.

7.1 Strategy: The housing finance divisions shall adopt an annual goal to apply no less than 20 percent of the division's total housing funds toward housing assistance for individuals and families earning between 31 percent and 60 percent of median family income.

Strategy Measure: Percent of housing finance division funds applied towards housing assistance for individuals and families earning between 31 percent and 60 percent of median family income.

2005 Measure	2005 Actual	% of Goal	2006 Measure
20%	3,824,899,423	352.44%	20%

(See Rider 4 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 79th Legislature, Regular Session.)

GOAL 8: TDHCA WILL PROVIDE CONTRACT FOR DEED CONVERSIONS FOR FAMILIES WHO RESIDE IN A COLONIA AND EARN 60 PERCENT OR LESS OF THE APPLICABLE AREA MEDIAN FAMILY INCOME

8.1 Strategy: Help colonia residents become property owners by converting their contracts for deed into traditional mortgages.

Strategy Measure: Amount of TDHCA funds applied towards contract for deed conversions for colonia families earning less than 60 percent of median family income.

FY 2004-2005 Measure	FY 2004-2005 Actual	% of Goal	FY 2006-2007 Measure
\$4,000,000	\$3,889,600	97.24%	\$4,000,000

The FY 2004-2005 Actual is comprised of \$1,300,000 in FY 2004 and \$2,589,600 in FY 2005. Note: An additional \$1,033,900 was approved at the September 2005 Board meeting. This funding award was postponed from the August 2005 Board meeting. It would have brought the FY 2004-2005 total to \$4,923,500.

(See Rider 11 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 79th Legislature, Regular Session.)

The following TDHCA-designated goal addresses the housing needs of persons with special needs.

GOAL 9: TDHCA WILL WORK TO ADDRESS THE HOUSING NEEDS AND INCREASE THE AVAILABILITY OF AFFORDABLE AND ACCESSIBLE HOUSING FOR PERSONS WITH SPECIAL NEEDS THROUGH FUNDING, RESEARCH, AND POLICY DEVELOPMENT EFFORTS.

9.1 Strategy: Dedicate no less than 20 percent of the HOME project allocation for applicants that target persons with special needs.

Strategy Measure: Percent of the HOME project allocation awarded to applicants that target persons with special needs.

2005 Measure	2005 Actual	% of Goal	2006 Measure
≥20%	24.7%	123.6%	≥20%

9.2 Strategy: Dedicate no less than 5 percent of the Multifamily Bond Program units for persons with special needs.

Strategy Measure: Percent of the Multifamily Bond Program units dedicated to persons with special needs.

2005 Measure	2005 Actual	% of Goal	2006 Measure
≥5%	22.53%	450.73%	≥5%

9.3 Strategy: Compile information and accurately assess the housing needs of and the housing resources available to persons with special needs.

Strategy Activities:

- A. Assist counties and local governments in assessing local needs for persons with special needs
- B. Work with State and local providers to compile a statewide database of available affordable and accessible housing.
- C. Set up a referral service to provide this information at no cost to the consumer.
- D. Promote awareness of the database to providers and potential clients throughout the State through public hearings, the TDHCA web site as well as other provider web sites, TDHCA newsletter, and local informational workshops.

9.4 Strategy: Increase collaboration between organizations that provide services to special needs populations and organizations that provide housing.

Strategy Activities:

- A. Promote the coordination of housing resources available among State and federal agencies and consumer groups that serve the needs of special needs populations.
- B. Continue working with agencies, advocates, and other interested parties in the development of programs that will address the needs of persons with special needs.
- C. Increase the awareness of potential funding sources for organizations to access, to serve special needs populations, through the use of TDHCA planning documents, web site, and newsletter.

9.5 Strategy: Discourage the segregation of persons with special needs from the general public.

Strategy Activities:

- A. Increase the awareness of the availability of conventional housing programs for persons with special needs.
- B. Support the development of housing options and programs, which enable persons with special to reside in noninstitutional settings.

Goals and Objectives

HOPWA

HOPWA

The HOPWA program continued to provide housing assistance to low income eligible persons with Human Immunodeficiency Virus (HIV) and their families. The program provided two HUD-approved activities: rental assistance and emergency assistance. The rental assistance program enables low income individuals to pay their rent and utilities until there is no longer a need or until they secure other housing. The emergency assistance program enables low income individuals at risk of becoming homeless to remain in their current residences.

Goal 1: Commit funding resources to address the housing needs and increase the availability of affordable and accessible housing for persons with special needs.

1.1 Proposed Accomplishments. Provided short-term rent, mortgage, utility payments, or tenant based rental assistance to persons with AIDS.

Specific Accomplishment. Number of persons with AIDS assisted with short-term rent, mortgage, utility payments, or tenant based rental assistance.

Specific 2005 Output: 2,434

Performance Chart 1 – Actual Performance. Types of Housing Units Dedicated to Persons with HIV/AIDS that were Supported during the Operating Year

Type of Unit:	Number of units with HOPWA funds	Amount of HOPWA funds	Number of units with Grantee and other funds	Amount of Grantee and other funds	Deduction for units reported in more than one column	TOTAL by type of unit
1. Rental Assistance	563	\$1,736,555	0	0	0	563
2. Short-term/emergency housing payments	825	\$672,207	0	0	0	825
3-a. Units in facilities supported with operating costs	0	0	0	0	0	0
3-b. Units in facilities that were developed with capital costs and opened and served clients	0	0	0	0	0	0
3-c. Units in facilities being developed with capital costs but not yet opened	0	0	0	0	0	0
Subtotal	1,388	\$2,408,762	0	0	0	1,388
Deduction for units reported in more than one category	0	0	0	0	0	0
TOTAL	1,388	\$2,408,762	0	0	0	1,388

Performance Chart 2 – Comparison to Planned Actions, as approved in the Action Plan/*Consolidated Plan* for this Operating Year (Estimated Numbers of Units)

Type of Unit:	Estimated Number of Units by type in the approved <i>Consolidated Plan/Action Plan</i> for this operating year*	Comment, on comparison with actual accomplishments (or attach)
1. Rental Assistance		Year 2005 <u>actual</u> number of units with HOPWA funds: 563
2. Short-term or emergency housing payments		Year 2005 <u>actual</u> number of units with HOPWA funds: 825
3-a. Units in facilities supported with operating costs		0
3-b. Units in facilities that were developed with capital costs and opened and served clients		0
3-c. Units in facilities being developed with capital costs but not yet opened		0
Subtotal		1,388
Deduction for units reported in more than one category		0
Total		1,388

* The Texas HOPWA Program did not establish goals for units of housing in the approved Consolidated Plan/Action Plan for 2005. Rather, goals were established based on individuals to be served.

Goals and Objectives

HOPWA

APPENDIX A: PUBLIC COMMENT

PUBLIC COMMENT PROCESS

In an effort to fully include the citizens of Texas in the Consolidated Planning process, the Department holds a 15-day public comment period for the Plan. This public comment period for the *2006 State of Texas Consolidated Plan Annual Performance Report* began on Friday, April 7, 2006, and concluded at 5:00 pm on Friday, April 21, 2006. The public comment period was posted in the April 7, 2006, edition of the *Texas Register* and on TDHCA's website.

SUMMARY OF PUBLIC COMMENT

No public comment was received on the *2006 State of Texas Consolidated Plan Annual Performance Report*.